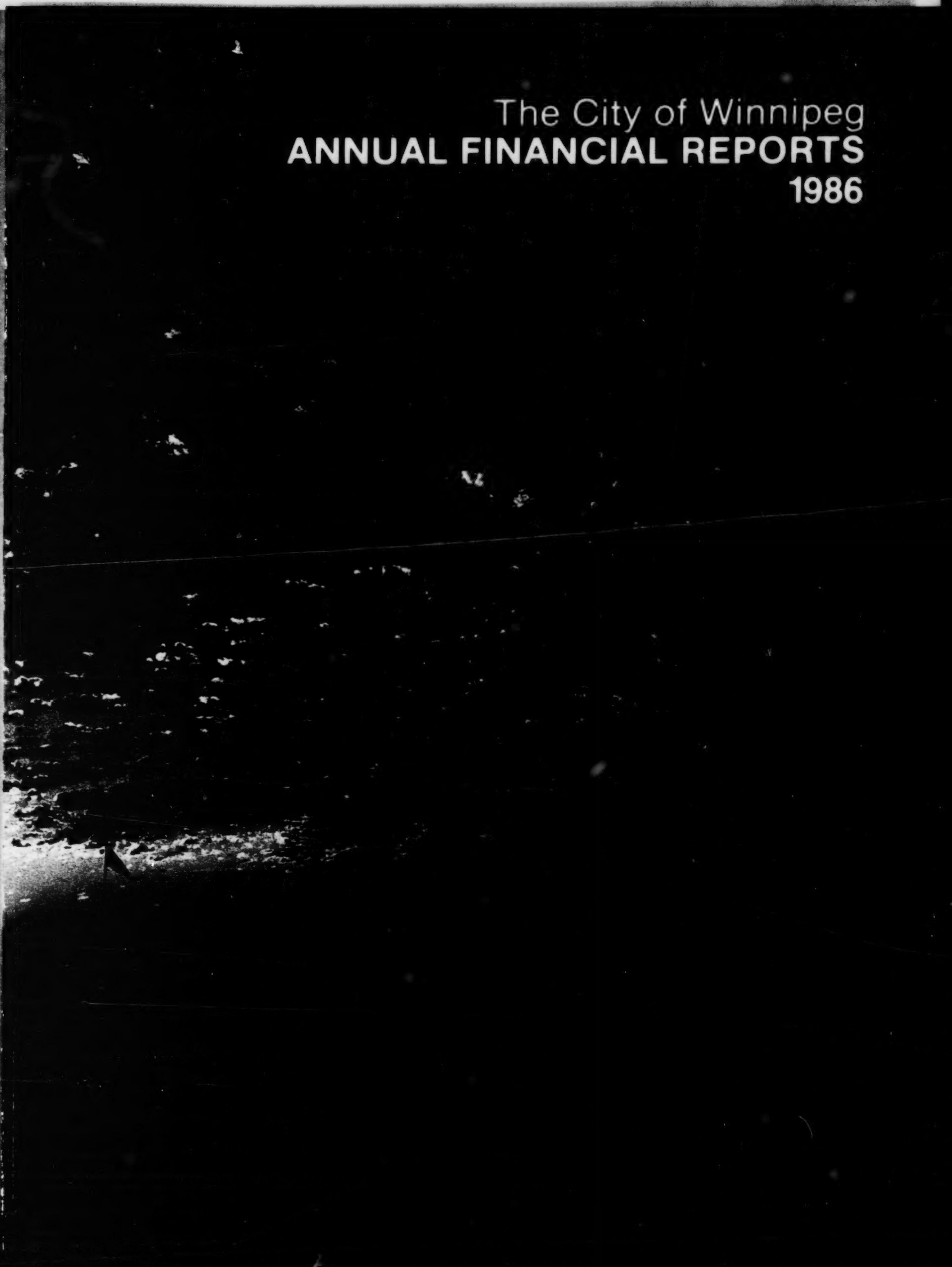
The City of Winnipeg
ANNUAL FINANCIAL REPORTS
1986



88-00436/

This year the City's Annual Financial Report features photographs of its five municipal golf courses which, combined with sixteen other Private, Semi-Private and Public courses, provide Winnipegers and their visitors with dawn to dusk, spring to fall golfing extraordinaire.

Photos of other courses appear on pages 8, 12, 48 and 168.

Cover Photo

Dusk on the John Blumberg Golf Course — 18 holes, 5751 meters, par 71 and 9 holes, 2577 meters par 34. Grass greens, club house, licensed dining room, equipment rental, watered fairways, golf pro available for instruction, banquet facilities for 125.

THE CITY OF WINNIPEG

MANITOBA, CANADA

Annual Financial Reports 1986

- **City Treasurer**
- **Sinking Fund Trustees**

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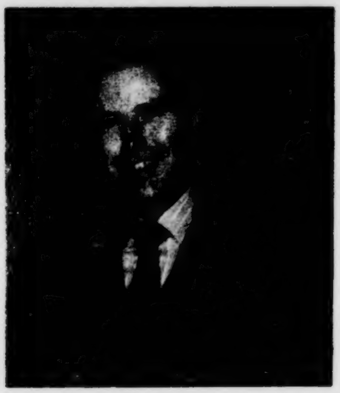
City Council—1986



Mayor

His Worship William Norrie, Q.C.

Deputy Mayor

Eric Stefanson

COUNCILLORS
(Listed by Community Committee)

ASSINIBOINE PARK—FORT GARRY

John Angus
Dave Brown
Bill Clement
Larry Fleisher
Bill Neville

CITY CENTRE—FORT ROUGE

Magnus Eliason
Donald I. Gerrie
Ernie Gilroy
Harold Macdonald
Harold Taylor
Alan C. Wade

EAST KILDONAN—TRANSCONA

Anne Jorowski
George Marshall
Don Mitchelson
Alfred J. Skowron
Shirley Timm-Rudolph

LORD SELKIRK—WEST KILDONAN

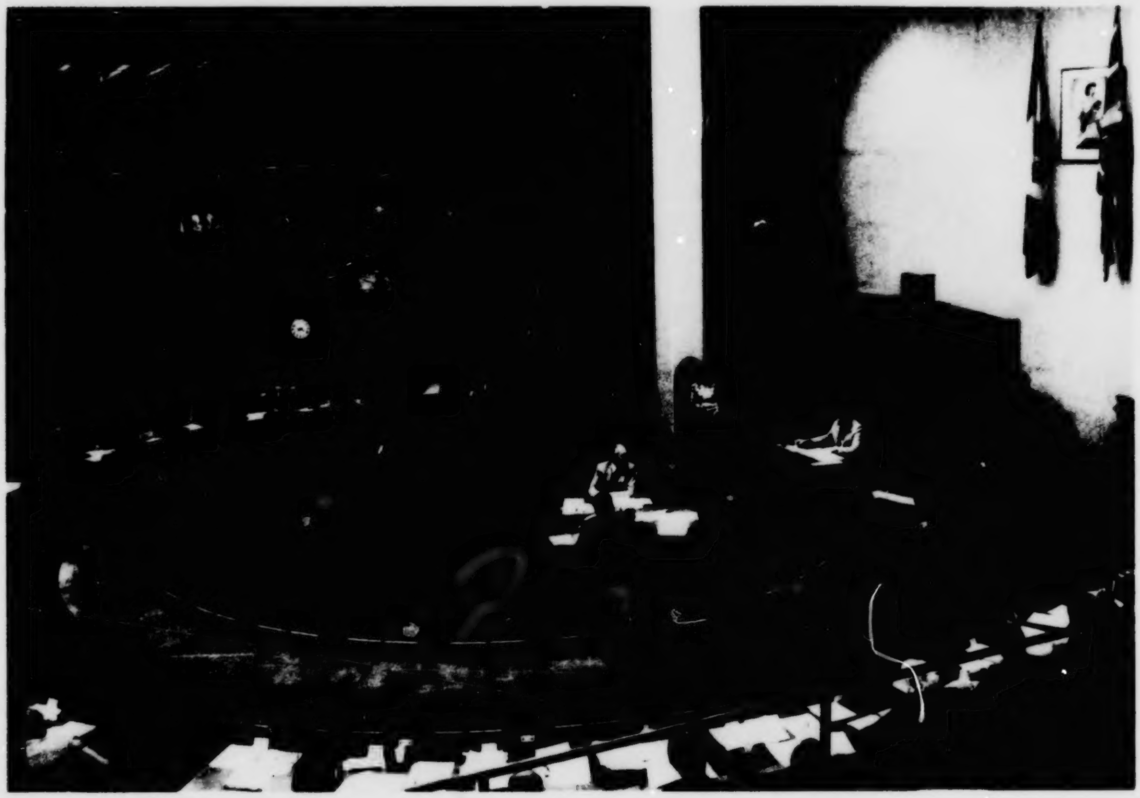
Harry Lazarenko
Chris Lorenc
Mike O'Shaughnessy
Helen Promislow
Terry Wachniak

ST. BONIFACE—ST. VITAL

Louise Dacquay
Doreen Demare
Bob Rose
Guy M. Savoie

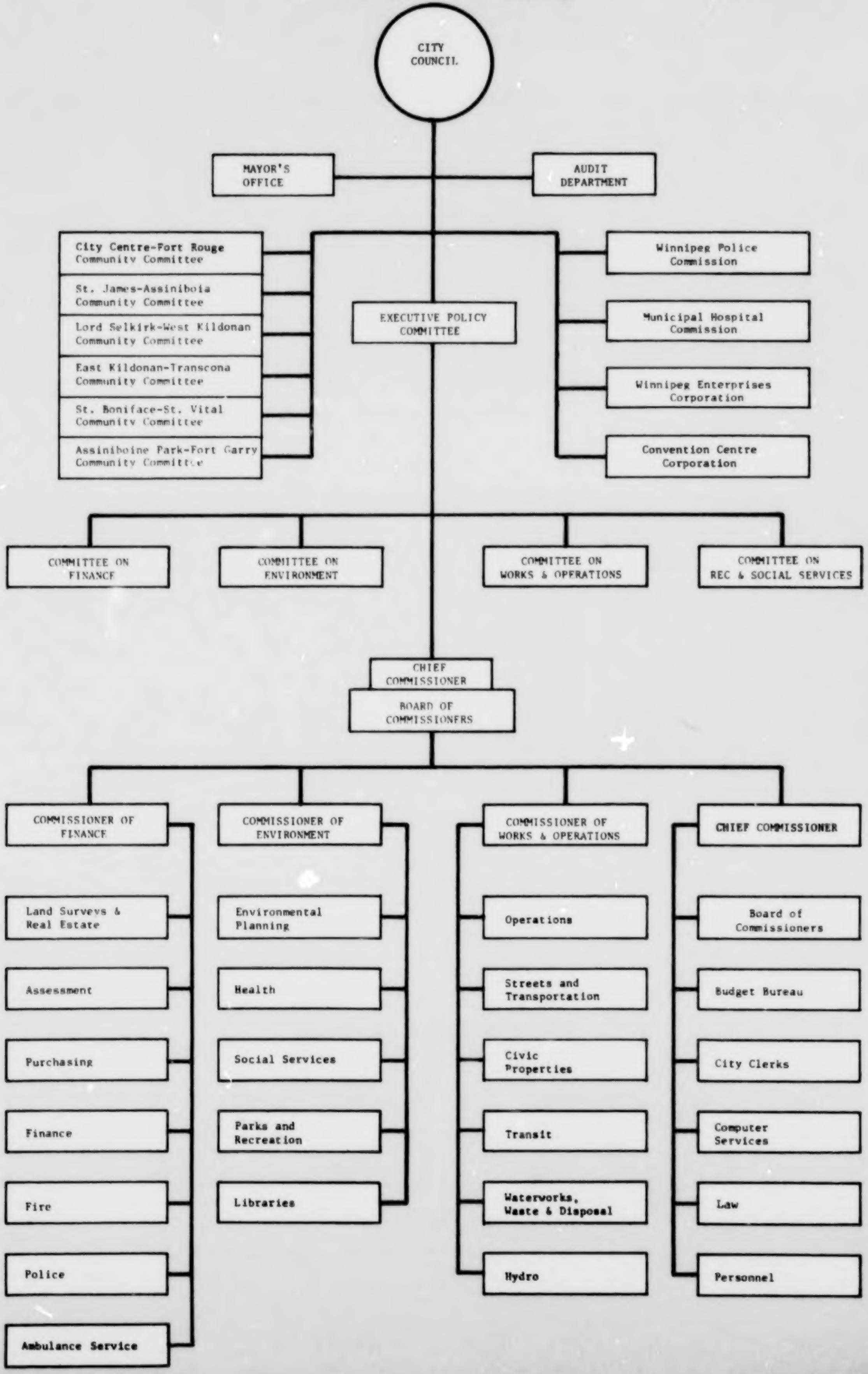
ST. JAMES—ASSINIBOIA

Bob Douglas
Jae Eadie
John Steel
Eric Stefanson



City Council in Session

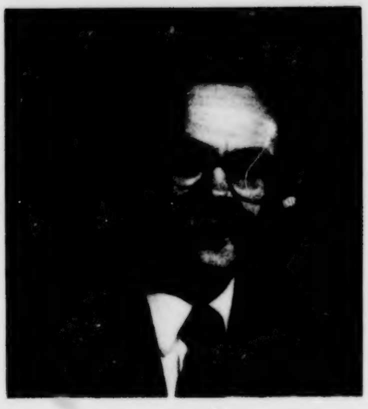
The City of Winnipeg


CITY COUNCIL
MAYOR'S OFFICE
AUDIT DEPARTMENT
City Centre-Fort Rouge Community Committee
St. James-Assiniboia Community Committee
Lord Selkirk-West Kildonan Community Committee
East Kildonan-Transcona Community Committee
St. Boniface-St. Vital Community Committee
Assiniboine Park-Fort Garry Community Committee
EXECUTIVE POLICY COMMITTEE
Winnipeg Police Commission
Municipal Hospital Commission
Winnipeg Enterprises Corporation
Convention Centre Corporation
COMMITTEE ON FINANCE
COMMITTEE ON ENVIRONMENT
COMMITTEE ON WORKS & OPERATIONS
COMMITTEE ON REC & SOCIAL SERVICES
CHIEF COMMISSIONER
BOARD OF COMMISSIONERS
COMMISSIONER OF FINANCE
Land Surveys & Real Estate
Assessment
Purchasing
Finance
Fire
Police
Ambulance Service
COMMISSIONER OF ENVIRONMENT
Environmental Planning
Health
Social Services
Parks and Recreation
Libraries
COMMISSIONER OF WORKS & OPERATIONS
Operations
Streets and Transportation
Civic Properties
Transit
Waterworks, Waste & Disposal
Hydro
CHIEF COMMISSIONER
Board of Commissioners
Budget Bureau
City Clerks
Computer Services
Law
Personnel

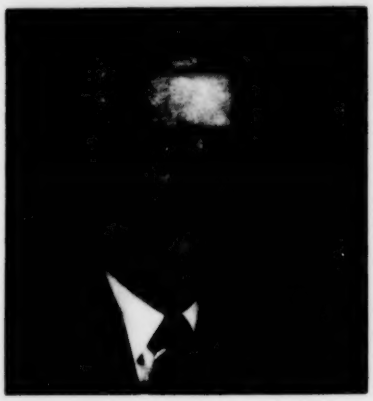
The Board of Commissioners

His Worship
Mayor William Norrie

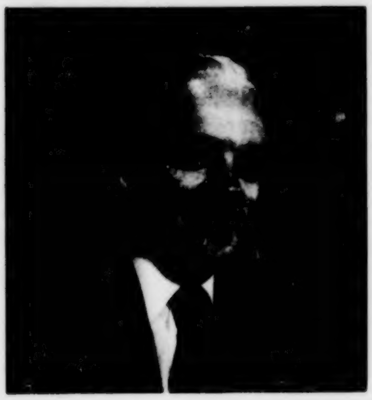
G.M. Savoie
Chairman of Executive
Policy Committee



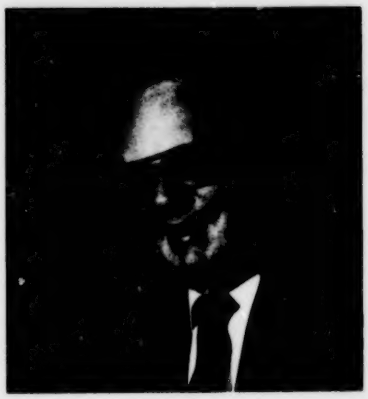
N. W. Diakiw
Chief Commissioner



L. Hutcheon
Commissioner of
Finance and City Treasurer



D. G. Henderson
Commissioner of
Environment



R.J. McRae
Commissioner of
Works and Operations

Officials of Finance Department

Mr. M. Bilow
Deputy City Treasurer

Mr. E. E. Skehar
Director of Accounting

Mr. J. L. Scott (Retired 1986)
Assistant Deputy City Treasurer

Mr. H. E. Wilms (Retired 1986)
Director of Financial Services

Annual Report of the City Treasurer

Treasurer's Report

July 23, 1987

His Worship the Mayor
and Members of the Council
of The City of Winnipeg.

Ladies and Gentlemen:

I am pleased to present herewith the Annual Financial Statements of The City of Winnipeg for the year 1986. Included are the Combined Balance Sheet and Statement of Revenue and Expenditure together with supporting statements of each of the separate accountable units of the City, namely General (Tax Supported); Reserve and Trust Funds; Equipment and Material Services Fund; the Utilities (Hydro Electric, Steam Heating, Transit, Water Works and Sewage Disposal Systems); the Winnipeg Ambulance Service, the Municipal Hospital Commission, and Pension Funds, all of which have been duly audited.

This report includes statements which provide additional information on matters such as tax levies and rates, assessment, debenture debt analyses and floating debt.

The operations of the City for the year 1986 resulted in a deficit of $5,721,674. This deficit was mainly due to an over expenditure for snow removal as a result of an extraordinary blizzard in November. The last such storm occured in March 1966. Despite this deficit, well-maintained tax collection levels (Page 143), a significant reduction in foreign denominated debt and favourable debt service ratios (Page 144) demonstrate the continuing stability of the City's financial position.

Reorganization of the Board of Commissioners and the Finance Department was approved in the latter part of 1986 and was fully implemented in the early part of 1987. The capability of the Financial Reporting System was expanded in 1986 to include an automated Budgetary Control module which, through encumbrance accounting, provides tighter control of expenditures.

This publication also includes the Annual Report of the Sinking Fund Trustees and as well the Annual Financial Statements of The Convention Centre Corporation and Winnipeg Enterprises Corporation.

I take pleasure in acknowledging the co-operation and assistance received from the members of The Board of Commissioners, Department Heads and other officials of the City's various departments, and extend thanks to them and the staff of the Finance Department for their support.

The co-operation and assistance rendered by officials of other levels of government is also gratefully acknowledged.

Respectfully submitted,

L. Hutcheon,
Commissioner of Finance and City Treasurer.

Auditor's Report

To The Mayor and Members
of City Council,
The City of Winnipeg.

In accordance with the requirements of The City of Winnipeg Act, I have examined the combined balance sheet, the balance sheets of The City of Winnipeg General Capital Fund, General Revenue Fund, Hydro Electric System, Steam Heating System, Water Works System, Sewage Disposal System, Transit System, Equipment & Material Services Fund, Ambulance Service, General Reserve Fund, Equipment Replacement Reserve Fund, Recreation Programming Reserve Fund, Future Tax Levies Reserve Fund, Severance Sick Leave Reserve Fund, Land Operating Reserve Fund, Watermain Renewal Reserve Fund, Trust Fund, Zoo Animals Reserve Fund, Zoo Purposes' Reserve Fund and Contributions in Lieu of Land Dedication Reserve Fund as at December 31, 1986 and the related statements of revenue and expenditure, retained earnings, reserve accounts, trust fund account, statement of source and application of captial funds and statements of changes in financial position, for the year then ended. My examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as I considered necessary in the circumstances. I have obtained all the information and explanations I have required. I report separately on the various boards, commissions and pension funds.

In my opinion, the aforementioned financial statements present fairly the financial position of The City of Winnipeg as at December 31, 1986 and the results of its operations for the year then ended in accordance with accounting principles described in the notes to the financial statements applied on a basis consistent with that of the preceding year.

CHARTERED ACCOUNTANT
AND CITY AUDITOR

Winnipeg, Manitoba
July 23, 1987

LG Marks

COMMENTS ON SUPPLEMENTARY FINANCIAL INFORMATION

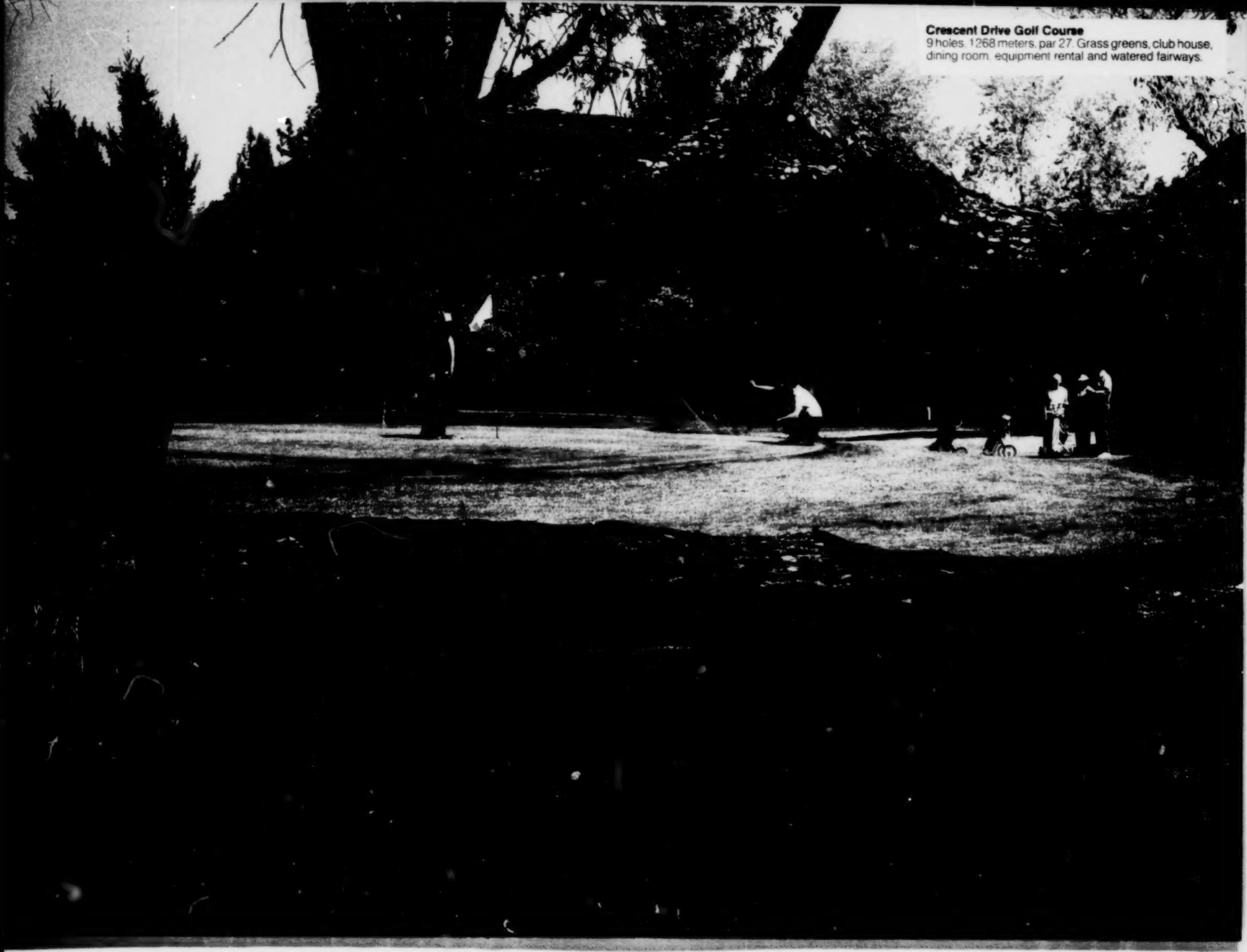
I have reported to the Mayor and Members of Council on my examination for the purpose of expressing an opinion on the financial statements of The City of Winnipeg for the year ended December 31, 1986.

I do not express an opinion on the statistical schedules since my examination did not extend to the detailed information therein.

CHARTERED ACCOUNTANT
AND CITY AUDITOR

Winnipeg, Manitoba
July 23, 1987

LG Marks



Crescent Drive Golf Course
9 holes. 1268 meters, par 27. Grass greens, club house, dining room, equipment rental and watered fairways.

CITY OF WINNIPEG
UNUM CUM VIRTUTE MULTORUM

Combined Financial Statements

The City of Winnipeg
Combined Balance Sheet

As at December 31, 1986

	General Capital & Revenue Funds	Reserve and Trust Funds	Equipment & Material Services Fund	Ambulance Service	Hydro Electric System	Steam Heating System	Transit System	Water Works System	Sewage Disposal System	TOTAL
ASSETS										
Cash	$ 7,067,465	$ 4,242	$ 175	$ 200	$ 283,311	$ 100	$ 239,316	$ 54,458	$ 150	$ 7,649,417
Short Term Investments	112,911,809	626,400	—	—	—	—	—	—	—	113,538,209
Long Term Investments	311,682	10,359,042	—	—	—	—	—	—	—	10,670,724
Accrued Interest Receivable	917,666	160,631	—	—	—	—	—	—	—	1,078,297
Accounts Receivable, Net	39,199,457	2,966,107	39,267	557,192	8,337,892	741,735	639,038	3,518,895	468,664	56,468,247
Due from Other Funds	23,101,052	88,480,570	1,733,520	—	—	—	—	9,250,036	430,695	122,995,873
Material and Supplies	1,878,485	—	4,552,160	—	3,452,677	211,566	2,026,478	242,555	—	12,363,921
Deferred Charges	20,502,015	2,794	—	—	2,827,469	41	706,378	2,595,198	1,366,201	28,000,096
Wpg. S.D. #1 Debentures	462,000	—	—	—	—	—	—	—	—	462,000
Sinking Funds Held For Retirement of Debt	151,509,860	—	—	—	28,205,930	—	8,998,690	27,289,118	15,616,689	231,620,287
Property Plant & Equipment	502,635,092	8,976,590	32,514,534	4,610	68,277,500	228,198	17,830,587	34,429,108	81,188,488	746,084,707
Capital Grants	7,284,990	—	—	—	—	—	—	—	—	7,284,990
	$867,781,573	$111,576,376	$38,839,656	$ 562,002	$111,384,779	$ 1,181,640	$30,440,487	$77,379,368	$99,070,887	$1,338,216,768
LIABILITIES										
Bank Overdraft	$ 6,083,366	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 6,083,366
Call Loans	22,701,900	—	—	—	—	—	—	—	—	22,701,900
Accounts Payable	134,542,921	1,869,767	1,379,216	302,961	5,969,247	577,114	1,375,826	1,109,347	5,997,990	153,124,389
Accrued Debenture Interest	12,899,120	—	—	—	1,266,559	532	348,977	1,593,995	2,453,860	18,563,043
Due to Other Funds	99,099,803	1,543,702	—	259,041	10,375,109	490,778	7,694,472	2,057,010	1,475,958	122,995,873
Deferred Liabilities	5,213,775	—	357,868	—	—	—	—	—	73,402	5,645,045
Deferred Revenue	8,701,956	1,087,346	—	—	—	—	77,350	—	—	9,866,652
Customers Deposits	9,602,405	29,818	—	—	810,051	34,420	—	—	—	10,476,694
Debenture Debt	407,897,015	—	—	—	56,001,325	37,000	18,728,462	55,495,661	76,303,876	614,463,339
Provision for Foreign Exchange	35,293,161	—	—	—	5,223,661	—	2,215,400	4,953,099	2,519,772	50,205,093
Sinking Fund Reserves	131,467,825	—	—	—	—	—	—	—	—	131,467,825
Current Revenue Surplus	(5,721,674)	—	—	—	—	—	—	—	—	(5,721,674)
	$867,781,573	$ 4,530,633	$ 1,737,084	$ 562,002	$ 79,645,952	$ 1,139,844	$30,440,487	$65,209,112	$88,824,858	$1,139,871,545
EQUITY										
Capital Invested in Plant	$ —	$ —	$32,378,077	$ —	$ 2,973,762	$ —	$ —	$ —	$ —	$ 35,351,839
Reserves	—	103,508,702	4,724,495	—	3,150,885	—	—	—	—	111,384,082
Retained Earnings	—	3,537,041	—	—	25,614,180	41,796	—	12,170,256	10,246,029	51,609,302
	$ —	$107,045,743	$37,102,572	$ —	$ 31,738,827	$ 41,796	$ —	$12,170,256	$10,246,029	$ 198,345,223
	$867,781,573	$111,576,376	$38,839,656	$ 562,002	$111,384,779	$1,181,640	$30,440,487	$77,379,368	$99,070,887	$1,338,216,768

The City of Winnipeg
Combined Statement of Revenue and Expenditure

For the Year Ended December 31, 1986

	General Capital & Revenue Funds	Reserve and Trust Funds	Equipment & Material Services Fund	Ambulance Service	Hydro Electric System	Steam Heating System	Transit System	Water Works System	Sewage Disposal System	TOTAL
REVENUE										
Taxation										
Municipal	$319,231,100	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 319,231,100
Education	223,952,293	—	—	—	—	—	—	—	—	223,952,293
	543,183,393	—	—	—	—	—	—	—	—	543,183,393
Operating Revenue	34,024,626	17,703,365	37,488,821	3,082,063	82,641,480	3,330,073	31,585,048	37,124,298	29,319,445	276,299,219
Provincial and Federal Grants	78,508,049	—	—	1,096,717	—	22,900	17,011,033	205,000	67,100	96,910,799
Interest Earned	7,820,623	10,449,965	—	—	—	—	—	—	—	18,270,588
Debt Charges Recovered	24,574,737	—	—	—	1,410,700	—	554,072	1,674,477	2,222,792	30,436,778
Previous Revenue Surplus	549,928	—	—	—	—	—	—	—	—	549,928
Contributions from Other Funds	18,048,000	9,665,511	—	1,979,373	—	926,627	16,806,523	8,229,690	959,027	56,614,751
TOTAL REVENUE	$706,709,356	$37,818,841	$37,488,821	$6,158,153	$84,052,180	$4,279,600	$65,956,676	$47,233,465	$32,568,364	$1,022,265,456
EXPENDITURE										
Depreciation, Debt and Finance	$ 95,312,957	$ —	$ —	$ 307,132	$ 9,101,576	$ 65,600	$ 3,130,937	$11,509,963	$13,601,204	$133,029,369
Operating Expenses	348,940,946	24,464,414	36,371,795	5,851,021	62,629,008	4,214,000	62,825,739	24,392,232	16,736,672	586,425,827
Transfer Provincial Grants	16,119,833	—	—	—	—	—	—	—	—	16,119,833
Contributions to Other Funds	28,105,001	5,448,058	—	—	926,627	—	—	8,235,065	—	42,714,751
Education Payments	223,952,293	—	—	—	—	—	—	—	—	223,952,293
TOTAL EXPENDITURE	712,431,030	29,912,472	36,371,795	6,158,153	72,657,211	4,279,600	65,956,676	44,137,260	30,337,876	1,002,242,073
REVENUE OVER (UNDER) EXPENDITURE	(5,721,674)	7,906,369	1,117,026	—	11,394,969	—	—	3,096,205	2,230,488	20,023,383
	$706,709,356	$37,818,841	$37,488,821	$6,158,153	$84,052,180	$4,279,600	$65,956,676	$47,233,465	$32,568,364	$1,022,265,456

Notes To The Combined Financial Statements

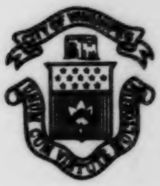
December 31, 1986

1. **Basis of Combined Statements**

   These statements are a summary of the funds illustrated and reported on in detail in the ensuing pages. City-related corporations, Pension Funds and the Municipal Hospitals are excluded. The Sinking Fund for retirement of debt is included as it relates to the funds recording the debt.

2. The Hydro Electric System column on the Statement of Revenue and Expenditure does not include a contribution to the General Fund of $13,900,000 out of Retained Earnings.

The Harbour View Golf Course and Recreation Complex with its many recreational opportunities including: golf (9 hole, 1134 meters, par 27) tennis, lawn bowling, boating, shuffleboard, playground, driving range, miniature golf and banquet facilities.



General Funds

The City of Winnipeg
General Capital Fund Balance Sheet

As at December 31, 1986

Assets

	1986	1985
ACCOUNTS RECEIVABLE, net		
Province of Manitoba	$ 2,730,531	$ 899,263
Government of Canada	274,019	1,383
Other	1,198,584	408,742
	4,203,134	1,309,388
DUE FROM WINNIPEG AMBULANCE SERVICE	4,610	22,688
DUE FROM MUNICIPAL HOSPITAL COMMISSION	70,519	88,669
DEFERRED CHARGES	351,045	279,479
FUNDS ON DEPOSIT with Sinking Fund Trustees of the City of Winnipeg (Note 4 & 6(a))	151,510,761	150,593,334
FIXED ASSETS at amount of existing liabilities (Note 1(E))	433,111,136	410,426,949
Financed from General Reserve Fund (Note 2(a))	57,076,039	49,603,179
Financed from Land Operating Reserve Fund (Note 2(b))	2,635,101	2,753,002
	492,822,276	462,783,130
CONVENTION CENTRE, at amount of existing liabilities	9,812,816	10,414,716
WINNIPEG SCHOOL DIVISION NO. 1, at amount of existing liabilities (Note 5(d))	462,000	851,000
CAPITAL GRANTS, at amount of existing liabilities		
Hospitals	2,161,853	2,161,853
Manitoba Centennial Corporation	1,800,000	1,800,000
Joint Use Facilities (Note 3)	3,323,137	3,203,735
	7,284,990	7,165,588
DEFERRED FOREIGN EXCHANGE	19,831,734	26,687,038
	$686,353,885	$660,195,030

Liabilities

	1986	1985
SHORT-TERM		
Due to General Revenue Fund	$ 36,214,256	$ 25,807,995
Accounts Payable	3,836,759	2,611,363
	40,051,015	28,419,358
LONG-TERM		
Debenture Debt (Note 5)	407,897,015	375,786,740
Provision for Foreign Exchange at Maturity (Note 1(A) & 6(b))	15,251,126	43,627,685
Deposits with Sinking Fund for Foreign Exchange (Note 6(a))	20,042,035	22,308,254
Debt at December 31, Exchange Rates	443,190,176	441,722,679
Due to General Reserve Fund (Note 2(a))	57,076,039	49,603,179
Due to Land Operating Reserve Fund (Note 2(b))	2,635,101	2,753,002
Deferred Liabilities (Note 7)	4,480,338	4,378,059
	507,381,654	498,456,919
DEFERRED CREDITS		
Prepaid - Local Improvements	2,807,140	2,203,426
Development Agreements - Capacity Charges	970,058	1,144,916
Development Agreements - Pipeline East Area	686,346	686,346
Future Regional Roadways	2,339,631	480,600
Other	649,315	518,385
	7,452,490	5,033,673
RESERVES		
Sinking Fund Reserve (Note 8)		
Actuarial Requirements in Canadian Funds	114,028,052	110,557,348
Sinking Fund Surplus and Liabilities	17,440,674	17,725,732
J.D. O'Connell Trust Fund	—	2,000
	131,468,726	128,285,080
	$686,353,885	$660,195,030

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

The City of Winnipeg
General Revenue Fund Balance Sheet

As at December 31, 1986

Assets

	1986	1985
CASH	$ 7,067,465	$ 6,102,227
SHORT-TERM INVESTMENTS, at cost	112,453,528	139,820,181
ACCRUED INTEREST RECEIVABLE	917,666	3,363,560
LONG-TERM INVESTMENTS, at par	311,682	475,554
DEVELOPMENT DEPOSIT INVESTMENTS	458,281	470,479
TAX ARREARS (Note 1(B) & 9)	35,719,029	36,574,546
Less Allowance	35,719,029	36,574,546
	NIL	NIL
ACCOUNTS RECEIVABLE		
Province of Manitoba	14,263,729	15,417,143
Government of Canada	2,557,095	1,094,220
Sinking Fund Trustees	5,314,708	6,699,413
Other	3,828,841	2,988,128
	25,964,373	26,198,904
Less Allowance (Note 1(C))	1,479,592	1,521,250
	24,484,781	24,677,654
DUE FROM WORKERS COMPENSATION RESERVE FUND	1,157,981	124,800
DUE FROM INSURANCE RESERVE FUND	385,721	514,436
DUE FROM OTHER FUNDS	68,208,019	47,261,790
MATERIALS AND SUPPLIES, at cost (Note 1(F))	1,878,485	1,868,621
DEFERRED CHARGES	319,236	401,911
	$217,642,845	$225,081,213

Liabilities

BANK OVERDRAFT	$ 6,083,366	$ 1,092,798
CALL LOANS	22,701,900	26,573,500
BALANCE OF CURRENT TAX LEVIES PAYABLE TO		
Public Schools Finance Board	46,075,700	45,098,193
School Divisions	43,505,220	37,234,234
	89,580,920	82,332,427
ACCOUNTS PAYABLE AND OTHER LIABILITIES (Note 1(D) & 11)	41,125,242	43,679,716
ACCRUED DEBENTURE INTEREST	12,899,120	14,062,075
DUE TO OTHER FUNDS	39,388,663	46,382,000
SURPLUS ON SUNDRY OPERATIONS	733,437	577,681
LOCAL IMPROVEMENT TAXES COMMUTED	4,896,388	4,457,140
PROVISION FOR AMORTIZATION OF BRANCH LIBRARIES	—	3,886
DEFERRED REVENUE	3,805,568	3,775,652
DEVELOPMENT AND OTHER DEPOSITS	2,149,915	1,594,410
	223,364,519	224,531,285
SURPLUS (DEFICIT) FOR THE YEAR	(5,721,674)	549,928
	$217,642,845	$225,081,213

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

The City of Winnipeg - General Revenue Fund
Statement of Revenue and Expenditure
For the Year Ended December 31, 1986

REVENUE	Budget 1986	Actual 1986	Actual 1985
MUNICIPAL TAXATION			
Property Tax—General Municipal (Note 13)	$229.303.370	$229.303.370	$216.405.569
Transfer from Future Tax Levies Reserve Fund—Taxes Added (Note 14)	2.148.000	2.148.000	2.048.000
Local Improvement Taxes, etc.	18.060.000	17.265.853	17.659.669
Local Improvement Taxes Commuted	995.000	1.083.056	987.177
Licenses in Lieu of Realty Tax (Note 15(a))	339.000	340.011	327.853
Business Tax	29.600.000	28.859.199	28.639.496
Licenses in Lieu of Business Tax (Note 15(b))	1.350.000	2.115.251	1.466.992
Amusement Tax	1.600.000	1.598.705	1.648.562
Electricity and Gas Sales Tax	8.300.000	8.466.884	8.109.132
Special Utility Tax—City Steam Heating	106.500	97.683	109.304
	291.801.870	291.278.012	277.401.754
GRANTS IN LIEU OF TAXES—Property and Business	29.489.368	30.101.088	27.511.756
PROVINCIAL GOVERNMENT GRANTS			
Unconditional			
Current Programs	18.200.000	18.200.000	18.200.000
Municipal Tax Sharing	20.500.000	20.591.981	19.219.182
Transit Deficit (Note 18)	15.925.000	16.119.833	14.995.183
Social Assistance	19.825.221	18.011.645	17,600,904
Contributions to Hospital Debt Charges	477.780	205.511	667.591
Libraries	1.305.558	1.805.559	1.120.652
Police Alertmobile Grant	31.250	31.250	—
Provincial Support Grant	3.197.300	3.192.270	3.161.138
Winnipeg Ambulance Service (Note 19(a))	—	—	991.170
Dutch Elm Disease	350.000	350.000	350.000
	79.812.109	78.508.049	76,305,820
OTHER REVENUE			
Permits and Fees	4,279,870	5.115.505	4,310,483
Licenses	1,317,800	1,264,574	1,257,562
Court and Parking Fines	6,200,000	5.932.178	5,824,229
Enterprise Operations	1,851,501	1,920,014	2,026,342
Sales of Goods and Services	12,993,760	13,357,350	13,008,571
Interest Earnings	8,442,500	7,820,623	7,632,086
Interest Capitalized	2,500,000	2,907,990	2,856,249
Tax Penalties	5,900,000	5,492,412	5,838,618
Sundry	385,200	942,593	1,085,988
	43,870,631	44,753,239	43,840,128
CAPITAL FINANCING			
Contribution from Sinking Fund	13,700,000	14,738,137	14,553,012
Sinking Fund Earnings	—	6,274,590	5,656,990
Debt Charges Recovered	653,638	654,020	728,838
	14,353,638	21,666,747	20,938,840
CONTRIBUTIONS AND TRANSFERS			
Contribution from Hydro Profit	12,800,000	13,900,000	15,800,000
Transfer from Land Operating Reserve Fund	2,000,000	2,000,000	6,265,000
Contribution from Future Tax Levies Reserve Fund	—	—	5,000,000
	14,800,000	15,900,000	27,065,000
SURPLUS FROM PREVIOUS YEAR	600,000	549,928	3,044,222
TOTAL MUNICIPAL REVENUE	474,727,616	482,757,063	476,107,520
REVENUE COLLECTED ON BEHALF OF SCHOOL AUTHORITIES			
Property Tax	200,737,800	200,737,800	184,542,157
Grants in Lieu of Property Tax	23,214,493	23,214,493	21,288,944
	223,952,293	223,952,293	205,831,101
	$698,679,909	$706,709,356	$681,938,621

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

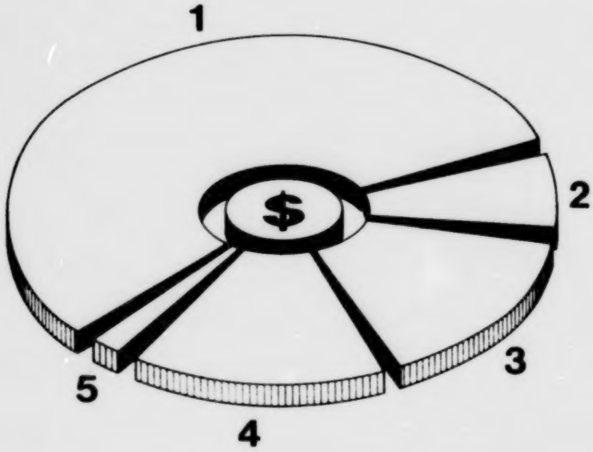
The City of Winnipeg
General Revenue Fund
Statement of Revenue and Expenditure

For the Year Ended December 31, 1986

	Budget 1986	Actual 1986	Actual 1985
EXPENDITURE			
MUNICIPAL			
General Government	$ 29.110.174	$ 28.327.428	$ 26.413.767
Assessment and Board of Revision	5.347.458	5.231.283	4.042.451
Environmental Planning	8.836.408	8.712.032	8.336.241
Public Works and Operations	72.418.479	79.342.952	71.943.102
Parks and Recreation	49.860.299	49.934.857	46.914.281
Transfer to Recreation Programming Reserve	—	72.114	72.699
Libraries and Museums	9.855.015	10.369.664	8.322.817
Protection	97.137.225	96.665.169	90.598.310
Health Services	4.731.261	4.587.139	4.415.709
Social Aid, Including Administration	29.006.642	26.829.659	26.100.334
Taxes on City Property	2.175.000	1.830.236	1.827.595
Special Grants	1.748.687	2.161.456	1.826.660
Insurance and Damage Claims	960.700	963.831	877.867
Winnipeg Ambulance Service (Note 19(a))	2.580.512	1.979.373	3.480.434
Convention Centre	1.041.231	1.041.231	751.000
Water Works and Sewage Disposal Frontage Levies	9.155.000	9.188.717	9.063.441
Appropriation to Transit System	32.693.913	32.926.356	30.565.139
Employee Benefits (Note 19(b))	23.859.900	24.496.910	27.276.673
Amortization of Pension Fund Deficits (Note 16)	2.723.969	4.251.077	5.885.044
Contribution to Severance Sick Leave Reserve Fund	—	—	962.000
Health and Education Tax	3.250.000	3.205.844	3.078.475
Retroactive Property Assessment Revisions	—	—	8.517.523
Sundry	1.748.482	1.048.452	2.441.936
Capital Financing			
Debenture Debt Charges	60.647.161	61.304.656	58.807.524
Non-Debenture Funding	12.108.100	11.801.277	10.170.542
Financial Expense	4.234.000	3.178.694	2.761.045
Foreign Exchange	6.766.000	8.065.433	7.434.596
Amortization of Foreign Exchange	1.232.000	3.188.307	5.513.397
Contributions to Capital	1.500.000	1.500.000	1.500.000
Sinking Fund Earnings Applied to Debt Amortization	—	6.274.590	5.656.990
TOTAL MUNICIPAL EXPENDITURE	474.727.616	488.478.737	475.557.592
SURPLUS (DEFICIT) FOR THE YEAR	—	(5.721.674)	549.928
	474.727.616	482.757.063	476.107.520
PAYMENTS TO SCHOOL AUTHORITIES			
Provincial Education Support Program Levy	115.189.249	115.189.249	112.745.483
Special Levy—School Divisions	108.763.044	108.763.044	93.085.618
	223.952.293	223.952.293	205.831.101
	$698.679.909	$706.709.356	$681.938.621

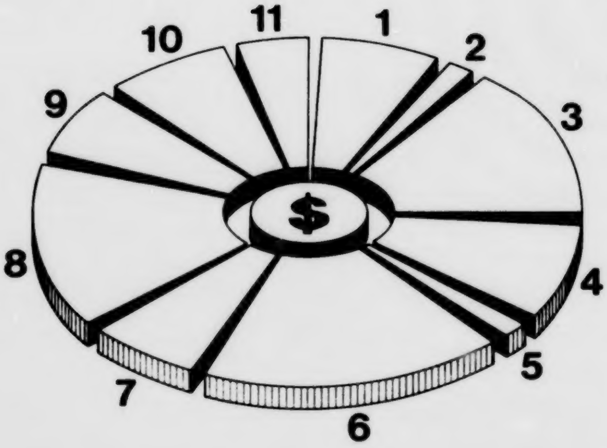
THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

SOURCES OF THE CITY'S 1986 MUNICIPAL REVENUE



1. Taxation	$.59
2. Grants In Lieu Of Taxes	.06
3. Provincial Government Grants	.16
4. Other (Permits, Licenses, Fines, Returns on Investments, etc.)	.18
	.99
5. Current year deficit	.01
	$1.00

HOW IT WAS EXPENDED



1. General Government	$.07
2. Environmental Planning	.02
3. Public Works	.16
4. Parks and Recreation	.10
5. Libraries and Museums	.02
6. Protection	.20
7. Health and Social Services	.06
8. Debt and Finance Costs	.19
9. Employee Benefits	.05
10. Contributions to Operations and Reserves	.08
11. Other	.05
	$1.00

The City of Winnipeg
Statement of Allowance for Tax Arrears

For the Year Ended December 31, 1986

		1986	1985
Opening Balance		$36,574,546	$37,320,821
ADD	Transfer from Future Tax Levies Reserve Fund	—	180,637
		36,574,546	37,501,458
DEDUCT	Taxes Written Off	624,731	320,098
	Retroactive Property Assessment Revisions (Note 19)	—	606,814
	Transfer to Future Tax Levies Reserve Fund	230,786	—
		855,517	926,912
Closing Balance		$35,719,029	$36,574,546

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

The City of Winnipeg
General Capital Fund
Statement of Source and Application of Funds

For the Year Ended December 31, 1986

	1986	1985
FUNDS WERE DERIVED FROM		
Accounts Receivable, January 1	$ 1,420,745	$ 1,838,516
Temporary Loan from General Revenue Fund	36,214,256	25,807,995
Deferred Credits	2,418,817	1,159,235
Debenture Issues	52,135,280	40,000,000
Reserves	14,029,487	11,966,627
Amortization of Foreign Exchange	3,188,307	5,513,396
Payment from Sinking Fund Trustees of Foreign Exchange	3,726,139	783,387
Contributions and Grants		
Government of Canada	2,022,017	13,906
Province of Manitoba	7,739,281	9,012,525
City	2,674,910	1,571,301
Other	1,809,002	3,434,401
Accounts Payable, December 31	3,836,759	2,611,363
	$131,215,000	$103,712,652
FUNDS WERE EXPENDED FOR		
Payment of Accounts Payable	$ 2,611,363	$ 2,876,505
Purchase of Capital Assets	62,934,718	62,609,399
Construction	7,146,960	5,701,235
Foreign Exchange on Maturities	28,020,160	1,500,769
Repayment of Temporary Loan to General Revenue Fund	25,807,995	23,404,798
Payment to Sinking Fund Trustees of Foreign Exchange	415,541	6,199,201
Accounts Receivable, December 31	4,278,263	1,420,745
	$131,215,000	$103,712,652

The City of Winnipeg
Capital Expenditures and Amounts Unfinanced

For the Year Ended December 31, 1986

	Capital Expenditures	Amount (Pre-Funded) Unfinanced December 31
General Municipal Purposes		
General Capital Fund		
Local Improvements	$ 5,724,713	$ 5,849,770
Street Improvements	23,985,070	6,432,950
Land Drainage	9,250,942	2,430,037
Disposal Grounds	962,457	(767,518)
Parks and Recreation	6,310,611	1,306,918
Protection	3,880,810	2,776,391
Health and Social Development	1,124,823	3,818,194
Civic Accommodations	2,651,266	1,543,261
Special Projects		
Core Area	7,015,011	5,261,364
Historic Winnipeg	70,593	50,486
Public Works Downtown Development	21,053	2,363,591
North Portage Development	4,360,000	3,860,103
North Ellice Development	562,332	602,234
Rainbow Stage	1,742,557	248,874
Other	2,419,440	2,867,980
	70,081,678	38,644,635
Equipment Replacement Reserve Fund	6,074,164	—
Equipment Material Services Fund	1,032,389	—
	77,188,231	38,644,635
Utility Purposes		
Hydro Electric System	4,635,439	13,652,982
Steam Heating System	3,142	191,199
Transit System	6,124,441	6,006,344
Water Works System	9,144,587	356,018
Sewage Disposal System	28,251,365	16,691,431
	48,158,974	36,897,974
	$125,347,205	$75,542,609

NOTE: Municipal Hospital Capital expenditures are excluded due to the March 31 year end.

Statement of Outstanding Capital Borrowing Authorizations

As at December 31, 1986

By-Law No.	M.B.O. No. or Date of Minister of Finance Approval	General Municipal Purposes		Municipal Hospital Commission	City Owned Utilities					Total
		General	Local Improvements		Hydro Electric System	Steam Heating System	Transit System	Water Works System	Sewage Disposal System	
1534/77	F 72/77	$ —	$ —	$ —	$ 2.041.060	$1.387.500	$ —	$ —	$ —	$ 3.428.560
2198/79	Mar. 21/79	2.600.955	—	—	—	—	—	—	—	2.600.955
2578/80	Mar. 26/80	6.571.892	500.000	—	338.700	46.500	550.000	—	—	8.007.092
2860/81	Mar. 2/81	5.643.624	—	—	1.060.300	50.000	663.800	—	—	7.417.724
3160/82	Mar. 9/82	6.265.731	1.211.210	—	345.100	—	—	71.680	5.442.000	13.335.721
3392/83	Mar.9/83	5.397.879	1.588.393	—	3.444.500	—	—	964.350	4.644.300	16.039.422
3623/83	Dec. 20/83	590.000	—	—	—	—	—	—	—	590.000
3669/84	Mar. 12/84	14.669.537	1.950.608	1.983.775	4.885.800	—	20.367	148.240	4.070.000	27.728.327
3953/85	Mar. 26/85	14.373.734	2.280.247	20.340.000	5.462.500	20.000	327.764	199.000	19.060.000	62.063.245
4193/86	Apr. 9/86	46.695.413	5.427.365	15.446.100	11.222.100	—	3.207.590	710.500	7.965.600	90.674.668
4300/86	May 6/86	2.629.800	—	—	—	—	—	—	—	2.629.800
		$105.438.565	$ 12.957.823	$ 37.769.875	$ 28.800.060	$ 1.504.000	$ 4.769.521	$ 2.093.770	$ 41.181.900	$ 234.515.514

Changes in the Outstanding Capital Borrowing Authorizations 1986

Outstanding Capital Borrowing Authorizations at December 31, 1985		$219.888.525
ADD Initial Borrowing By-Law No. 4128/85 Approved by the Minister of Finance December 10, 1985 and passed by Council January 15, 1986 to refinance debenture By-Law No. 2971/81		50.000.000
Initial Borrowing By-Law No. 4241/86 approved by Minister of Finance March 27, 1986 and passed by Council April 9, 1986 to refinance debenture By-Law No. 3064/81		50.000.000
Initial Borrowing By-Law No. 4193/86 approved by the Minister of Finance April 9, 1986 and passed by Council April 9, 1986		90.674.668
Initial Borrowing By-Law No. 4300/86 approved by the Minister of Finance May 6, 1986 and passed by Council May 21, 1986		2.629.800
		413.192.993
DEDUCT Debenture Debt Issued During the Year	$158.553.000	
Cancellation of Unused Initial Borrowing Authorities: By-Law No. 4459/86 Approved by the Minister of Finance December 3, 1986 and passed by Council December 17, 1986	20.124.479	178.677.479
Outstanding Capital Borrowing Authorizations at December 31, 1986		$234.515.514

NOTES

(1) The City of Winnipeg Act permits the City to borrow money by the issue of debentures where authorization has been granted by the Minister of Finance, or where, before November 1, 1977 authorization had been granted by the Municipal Board.

(2) Capital Borrowing authorizations approved for 1987 to June 30, 1987:
    Initial Borrowing By-Law No. 4545/87 approved by Minister of Finance March 20, 1987 and passed by Council March 25, 1987 $117.048.577.
    Initial Borrowing By-Law No. 4616/87 approved by Minister of Finance June 4, 1987 and passed by Council June 17, 1987 $6.000.000.

(3) Debenture Debt issued in 1987 to June 30, 1987 amounted to $60.000.000 which will be deducted from the outstanding authorizations.

(4) The unfunded balance of capital expenditures for general municipal purposes and for City owned utilities totalled $75.542.609 at December 31, 1986.

CITY OF WINNIPEG
UNUM CUM VIRTUTE MULTORUM

Reserve Funds

Reserve Funds

GENERAL RESERVE

City Council on May 2, 1973 authorized the establishment of a General Reserve Fund for the purpose of financing various Capital construction. Various by-laws of the former area municipalities establishing general reserves were repealed and the assets of these former reserve funds were transferred to the City of Winnipeg General Reserve. Interest charges on capital financing and investment income contribute to the growth of the reserve. The City Treasurer is the Fund Manager.

FUTURE TAX LEVIES RESERVE

City Council on May 16, 1973 authorized the establishment of a Future Tax Levies Reserve Fund to counteract the budgetary effect of fluctuations from year to year in the increased assessments due to the completion of major building construction projects by the private sector and of fully providing for uncollected taxes.

Disbursements from this reserve are limited to the annual budgetary provision for additions to the Tax Roll and any amount required to maintain the Allowance for Tax Arrears at 100% of uncollected taxes.

This reserve is maintained by the actual additions to the Tax Roll in each year and by contributions from the Sinking Fund Trustees of the City of Winnipeg in accordance with Section 338 of the City of Winnipeg Act. The City Treasurer is the Fund Manager.

EQUIPMENT REPLACEMENT RESERVE

City Council on May 2, 1973 authorized the establishment of an Equipment Replacement Reserve Fund to provide for the systematic replacement of equipment and to stabilize the effect on the annual budget. Various by-laws of the former area municipalities establishing equipment replacement reserves were repealed and the assets of these former reserve funds were transferred to the City of Winnipeg Equipment Replacement Reserve.

Disbursements from this reserve are limited to equipment replacement costs as approved in the Capital Budget.

This reserve is maintained by an annual provision for replacement, investment income and the proceeds from the sale of used equipment. The Director of Operations is the Fund Manager.

SEVERANCE SICK LEAVE RESERVE

City Council on May 16, 1973 authorized the establishment of a Severance Sick Leave Reserve Fund to counteract the possible adverse budgetary effect of a great number of employees retiring from service in any one year.

Disbursements from this reserve are limited to the sick leave cash-out payments made to Civic employees in accordance with the provisions of Working Agreements and any by-laws or resolutions of Council.

This reserve is maintained by an annual budgetary provision, subject to the approval of Council and interest earned. The City Treasurer is the Fund Manager.

LAND OPERATING RESERVE

City Council on May 16, 1973 authorized the establishment of a Land Operating Reserve Fund to reduce the need for the issuance and sale of debentures in connection with the cost of acquisition of properties for resale.

Disbursements from this reserve are limited to the cost of acquisition of properties for resale, and any other expenses directly related to the acquisition, sale and improvement of disposable city properties.

This reserve is maintained by proceeds from the sale of City owned properties and interest earned. The Director of Land Surveys and Real Estate is the Fund Manager.

CONTRIBUTIONS IN LIEU OF LAND DEDICATION RESERVE

City Council on January 10, 1973 adopted a policy that cash payments received by the City in lieu of land dedications for open space be deposited in a fund to the credit of each community. On January 17, 1979, Council amended the policy to also permit cash payments received from the sale of surplus Parks and Recreation lands to be deposited to the credit of each community. Disbursements from this reserve are limited to costs of acquiring or improving lands for parks, recreational facilities or open space within that community. The City Treasurer is the Fund Manager.

RECREATION PROGRAMMING RESERVE

City Council on October 6, 1976, approved the creation of a Reserve Fund for recreation programming at the community level. This Reserve to be established from cumulative surpluses or deficits of former Parks and Recreation Boards and Commissions as at December 31st, 1976, and to include any unexpended balances as identified in the approved recreation programming portions of the 1976 and subsequent years budgets. Council further resolved that such reserve funds be retained under the jurisdiction of the Community Committee concerned. The General Manager of Parks and Recreation and the City Treasurer are managers of this fund.

WATERMAIN RENEWAL RESERVE

City Council on February 18, 1981 authorized the establishment of a Watermain Renewal Reserve Fund for the purpose of financing, from one source, the renewal of watermains.

Disbursements from the reserve are limited to financing the construction of watermain renewals as approved in the Capital Budget.

The reserve was established in 1981 by the transfer of $2,000,000.00 from frontage levy revenue and will be maintained by the transfer of 100% of frontage levy revenue and interest earned. The Director of Waterworks, Waste and Disposal is the Fund Manager.

ZOO ANIMALS RESERVE

City Council on September 15, 1982 authorized the establishment of a Reserve Fund to provide for the replacement and improvement of animal stock in the Assiniboine Park Zoo.

Disbursements from this reserve are limited to the acquisition, including all other directly related costs, of any Zoo animals required.

The reserve is to be maintained by proceeds from the sale of surplus Zoo animals and interest earned. The General Manager of Parks and Recreation is the Fund Manager.

ZOO PURPOSES RESERVE

City Council on December 14, 1983 authorized the establishment of a Reserve Fund to which revenues derived from various Zoo programs would be credited to augment the Zoo's operating and capital budgets.

The Board of Commissioners and the General Manager of Parks and Recreation are the Fund Managers.

WORKERS COMPENSATION RESERVE

Under the terms of By-law No. 9802 of the former City of Winnipeg provision was made for the establishment of a Workers Compensation Reserve Fund, the administration of which was vested with the Sinking Fund Trustees. On January 1st, 1972, as a result of amalgamation of municipal governments in the Greater Winnipeg area the Workers Compensation Provision Account of the former Metropolitan Corporation of Greater Winnipeg was transferred to the City of Winnipeg Workers Compensation Reserve Fund. There were no other municipalities, prior to unification, having such a reserve.

Since Section 349(1) of The City of Winnipeg Act permits City Council to provide for the establishment and maintenance of reserve funds without the passing of by-laws, all former City of Winnipeg by-laws establishing the Workers Compensation Reserve Fund have been repealed allowing for the establishment and maintenance of the Workers Compensation Reserve in accordance with Section 349 of The City of Winnipeg Act. The Sinking Fund Trustees will continue to manage the Fund.

The purpose of this Reserve is to enable the City to operate the Workers Compensation program on a self-insured basis. In lieu of paying premiums to the Workers Compensation Board, the City pays actual costs plus an administration charge. This cost is recovered from Civic departments by assessing premiums based on a percentage of gross payroll and the net result is transferred annually to the Reserve Fund. Prior to 1966 the premium was based on Workers Compensation Board rates. In addition to providing the required mechanism for self-insurance, the Reserve serves as a hedge against a work-related incident of extraordinary dimensions. The City Treasurer is the fund manager.

PARKS RESERVE

By-Law No. 14725 of the former City of Winnipeg, passed on April 8, 1935, created a fund for the perpetual care and maintenance of Brookside Cemetery, the fund to be built up by annual payments to the Sinking Fund Trustees of The City of Winnipeg during the years 1935 to 1959 amounting to 5% of the proceeds from the sale of plots and graves during the preceding year. By-Law No. 18290, passed on September 21, 1959, extended the annual payment period to 1984 and increased the amount payable each year to the fund to 25% of the proceeds from the sale of plots and graves during the preceding year. By-Law 1996/78 passed on June 14, 1978, further extended the annual payment period to the year 2004.

By-Law No. 1996/78 also created funds for the perpetual care and maintenance of St. Vital and Transcona Cemeteries to be built up by annual payments to the Sinking Fund Trustees of The City of Winnipeg during the years 1979 to 2004 (St. Vital Cemetery) and 1979 to 2029 (Transcona Cemetery) amounting to 25% of the proceeds from the sale of plots and graves during the preceding year.

The Sinking Fund Trustees are also empowered to accept deposits in respect of perpetual maintenance of individual cemetery plots but no such deposits have been accepted since 1951.

Administration of the Fund so created is vested by the respective By-laws, in the Sinking Fund Trustees. The City Treasurer is the fund manager.

INSURANCE RESERVE

City Council of the former City of Winnipeg, on September 19, 1960, authorized the establishment of an Insurance Reserve Fund to be used, at the discretion of Council, for the purpose of replacing or repairing any building or the contents thereof or any other public works or utility belonging to the City of Winnipeg that had been damaged by fire, or any other cause. On July 4, 1973 City Council authorized the use of the Insurance Reserve for the purpose of paying for any other losses that the City may incur in any part of its self insurance program, which would encompass third party liability claims, or property damage claims, including motor vehicles. Council order dated July 4, 1973 also authorized the transfer to the Sinking Fund Trustees of the insurance contingency funds of the former Metropolitan Corporation of Greater Winnipeg. Investment and administration of the fund has been vested with the Sinking Fund Trustees. The City Treasurer is the fund manager.

RESERVE FUND ASSETS AS AT DECEMBER 31

	1986	1985
General Reserve	$ 65,469,001	$ 58,574,363
Future Tax Levies Reserve	3,537,041	87,129
Equipment Replacement Reserve	9,043,554	8,757,411
Severance Sick Leave Reserve	2,329,964	3,954,871
Land Operating Reserve	19,064,746	19,547,409
Contributions in Lieu of Land Dedication Reserve	2,143,839	2,126,769
Recreation Programming Reserve	528,934	582,071
Watermain Renewal Reserve	1,336,569	1,268,654
Zoo Animals Reserve	209,701	192,905
Zoo Purposes Reserve	104,049	61,763
* The Workers Compensation Reserve	1,728,394	784,737
* Parks Reserve	2,282,847	1,982,070
* Insurance Reserve	3,712,075	3,812,308
	$111,490,714	$101,732,460

* The Assets of these Reserve Funds are being administered by the Sinking Fund Trustees of the City of Winnipeg.

The City of Winnipeg
General Reserve Fund Balance Sheet

As at December 31, 1986

Assets

	1986	1985
DUE FROM GENERAL REVENUE FUND	$ 154,537	$ 154,602
LONG TERM INVESTMENTS, at par	2,767,000	3,266,000
DUE FROM GENERAL CAPITAL FUND	57,076,039	49,603,179
DUE FROM WATERWORKS SYSTEM	2,057,010	1,999,616
DUE FROM SEWAGE DISPOSAL SYSTEM	1,475,958	1,577,103
DUE FROM MUNICIPAL HOSPITALS	1,938,457	1,973,863
	$65,469,001	$58,574,363

Liabilities

GENERAL RESERVE ACCOUNT		
Allocated	$65,314,464	$58,419,761
Unallocated	154,537	154,602
	$65,469,001	$58,574,363

General Reserve Account

For the Year Ended December 31, 1986

Allocated

	1986	1985
Opening Balance	$58,419,761	$52,175,689
ADD		
Capital Construction Financed	12,396,313	10,800,000
	70,816,074	62,975,689
DEDUCT		
Principal Retirals	5,002,610	4,115,928
Maturity of Long Term Investments	499,000	440,000
Closing Balance	$65,314,464	$58,419,761

Unallocated

Opening Balance	$ 154,602	$ 125,407
ADD		
Interest Earned	452,057	510,631
Maturity of Long Term Investments	499,000	440,000
Interest on Capital Financing	6,442,581	5,762,659
Principal Retirals	5,002,610	4,115,905
	12,550,850	10,954,602
DEDUCT		
Capital Construction Financed	12,396,313	10,800,000
Closing Balance	$ 154,537	$ 154,602

Statement of Outstanding Commitments

Council Authorizations	Local Improvements	General Municipal	Total
April 9, 1986 — Balance of 1986 Program	$ 6,350,000	$ 450,000	$ 6,800,000

Note: On March 25th, 1987, City Council approved the 1987 capital program. A total of $13,600,000 of which is to be funded by the General Reserve.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

The City of Winnipeg
Future Tax Levies Reserve Fund Balance Sheet

As at December 31, 1986

Assets

	1986	1985
DUE FROM GENERAL REVENUE FUND	$ 3,537,041	$ 87,129

Liabilities

	1986	1985
FUTURE TAX LEVIES RESERVE ACCOUNT	$ 3,537,041	$ 87,129

Future Tax Levies Reserve Account

For the Year Ended December 31, 1986

	1986	1985
Opening Balance	$ 87,129	$ 3,985,614
ADD		
Transfer from allowance for tax arrears	230,786	—
Net Taxes Added During the Year and Adjustments (Note 14)	5,240,649	2,961,865
Interest Earned	126,477	368,287
	5,685,041	7,315,766
DEDUCT		
Transfer to General Revenue Fund	2,148,000	7,048,000
Transfer to Allowance for Tax Arrears (Note 9(c))	—	180,637
	2,148,000	7,228,637
Closing Balance	$ 3,537,041	$ 87,129

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

The City of Winnipeg
Equipment Replacement Reserve Fund Balance Sheet

As at December 31, 1986

Assets

	1986	1985
DUE FROM GENERAL REVENUE FUND	$ 9,043,554	$ 8,757,411

Liabilities

	1986	1985
ACCOUNTS PAYABLE	$ 256,684	$ —
EQUIPMENT REPLACEMENT RESERVE ACCOUNT		
Allocated (Note 19(c))	6,192,673	6,056,636
Unallocated	2,594,197	2,700,775
	8,786,870	8,757,411
	$ 9,043,554	$ 8,757,411

Equipment Replacement Reserve Account

For the Year Ended December 31, 1986

	1986	1985
Opening Balance	$ 8,757,411	$ 6,106,200
Less: Prior Period Adjustment	43,990	—
Adjusted Opening Balance	8,713,421	6,106,200
ADD		
Provision for Replacement for the Year	5,089,235	4,919,610
Interest Earned	664,056	591,576
Sale of Equipment	394,322	294,544
	14,861,034	11,911,930
DEDUCT		
Purchase of Equipment (Note 1(E))	6,074,164	3,154,519
Closing Balance	$ 8,786,870	$ 8,757,411

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

The City of Winnipeg
Severance Sick Leave Reserve Fund Balance Sheet

As at December 31, 1986

Assets

	1986	1985
DUE FROM GENERAL REVENUE FUND	$2,329,964	$ 688,871
LONG TERM INVESTMENTS, at par	—	3,266,000
	$2,329,964	$3,954,871

Liabilities

	1986	1985
ACCOUNTS PAYABLE	47,129	—
SEVERANCE SICK LEAVE RESERVE ACCOUNT (Note 10 (c))	$2,282,835	$3,954,871
	$2,329,964	$3,954,871

Severance Sick Leave Reserve Account

For the Year Ended December 31, 1986

	1986	1985
Opening Balance	$3,954,871	$5,059,836
ADD		
Contribution From General Revenue Fund	—	962,000
Interest Earned	403,992	544,185
Gain on Sale of Investment	254,433	—
	4,613,296	6,566,021
DEDUCT		
Benefit Payments	3,463,798	3,697,214
Less Utilities, Municipal Hospitals and other	1,133,337	1,086,064
	2,330,461	2,611,150
Closing Balance	$2,282,835	$3,954,871

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

The City of Winnipeg
Land Operating Reserve Fund Balance Sheet

As at December 31, 1986

Assets

	1986	1985
DUE FROM GENERAL REVENUE FUND	$ 5,790,261	$ 4,938,347
ACCOUNTS RECEIVABLE	323,778	844,099
Less Allowances (Note 1(H))	323,778	842,677
	NIL	1,422
LONG TERM INVESTMENTS, at par	1,660,000	1,960,000
DUE FROM GENERAL CAPITAL FUND (Note 2(b))	2,635,101	2,753,002
DEFERRED CHARGES	2,794	1,678
PROPERTY AND IMPROVEMENTS (Note 12(b))	8,976,590	9,892,960
	$19,064,746	$19,547,409

Liabilities

	1986	1985
ACCOUNTS PAYABLE	$ 1,081,424	$ 560
DEFERRED REVENUE	1,087,346	1,697,462
LAND SALES DEPOSITS	29,818	12,019
	2,198,588	1,710,041
LAND OPERATING RESERVE ACCOUNT		
Unallocated - Available for Future Financing	1,807,020	3,131,509
Allocated		
Current Projects	1,784,653	98,219
Capital Construction Financed	4,295,101	4,713,002
Equity in Land	8,979,384	9,894,638
	16,866,158	17,837,368
	$19,064,746	$19,547,409

Land Operating Reserve Account

For the Year Ended December 31, 1986

	1986	1985
Opening Balance	$17,837,368	$20,046,758
ADD		
Land Sales (Note 12(c))	5,591,322	4,011,573
Interest Earned	911,903	1,117,781
Interest on Capital Financing	404,162	363,760
Prior Period Adjustments	—	13,925
Miscellaneous Revenue	565	1,496
	24,845,320	25,555,293
DEDUCT		
Refund of Land Sales	1,530	—
Cost of Land Sold	2,467,513	358,144
Servicing and Sales Expense	24,416	13,380
Miscellaneous Expenses	1,132	663
Transfer to General Revenue Fund (Note 19)	2,000,000	6,265,000
Transfer to Land Dedication Fund	300,058	612,920
Transfer to General Capital Fund	2,182,213	467,818
Transfer to Workers Compensation Reserve Fund	1,000,000	—
Transfer to Hydro Electric System	2,300	—
	7,979,162	7,717,925
Closing Balance	$16,866,158	$17,837,368

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

The City of Winnipeg
Contributions in Lieu of Land Dedication Reserve Fund
Balance Sheet

As at December 31, 1986

Assets

	1986	1985
DUE FROM GENERAL REVENUE FUND	$2,143,839	$2,126,769

Liabilities

	1986	1985
CONTRIBUTIONS IN LIEU OF LAND DEDICATION RESERVE ACCOUNT	$2,143,839	$2,126,769

Contributions in Lieu of Land Dedication Reserve Account

For the Year Ended December 31, 1986

	1986	1985
Opening Balance	$2,126,769	$1,303,576
ADD		
Proceeds from Sale of Dedicated Land	300,058	612,920
Cash Payments in Lieu of Land Dedication	660,958	731,238
Interest Earned	159,312	136,529
	3,247,097	2,784,263
DEDUCT		
Park Land and Improvements	1,103,258	657,494
Closing Balance	$2,143,839	$2,126,769

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

The City of Winnipeg
Recreation Programming Reserve Fund
Balance Sheet

As at December 31, 1986

Assets

	1986	1985
DUE FROM GENERAL REVENUE FUND	$528,934	$582,071

Liabilities

	1986	1985
RECREATION PROGRAMMING RESERVE ACCOUNT		
Allocated	$ 95,031	$161,157
Unallocated	433,903	420,914
	$528,934	$582,071

Recreation Programming Reserve Account

For the Year Ended December 31, 1986

	1986	1985
Opening Balance	$582,071	$690,471
ADD		
Interest Earned	36,085	46,177
Unexpended Balances of Approved Recreation Programming Budgets	72,114	72,699
	690,270	809,347
DEDUCT		
Disbursements	161,336	227,276
Closing Balance	$528,934	$582,071

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

The City of Winnipeg
Watermain Renewal Reserve Fund
Balance Sheet

As at December 31, 1986

Assets

	1986	1985
DUE FROM GENERAL REVENUE FUND	$1,336,569	$1,268,654

Liabilities

	1986	1985
ACCOUNTS PAYABLE	$ 481,126	$ 317,737
WATERMAIN RENEWAL RESERVE ACCOUNT — Allocated	681,857	749,651
— Unallocated	173,586	201,266
	855,443	950,917
	$1,336,569	$1,268,654

Watermain Renewal Reserve Account

For the Year Ended December 31, 1986

	1986	1985
Opening Balance	$ 950,917	$1,476,700
ADD		
Frontage Levies Transferred from Water Works System Fund	8,235,065	8,122,497
Interest Earned	97,186	113,530
	9,283,168	9,712,727
DEDUCT		
Watermain Renewals Funded	8,419,866	8,756,854
Builders Lien Act Interest	7,859	4,956
	8,427,725	8,761,810
Closing Balance	$ 855,443	$ 950,917

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

The City of Winnipeg
Zoo Animals Reserve Fund
Balance Sheet

As at December 31, 1986

Assets

	1986	1985
ACCOUNTS RECEIVABLE	$ 27,650	$ —
DUE FROM GENERAL REVENUE FUND	182,051	192,905
	$209,701	$192,905

Liabilities

	1986	1985
ACCOUNTS PAYABLE	$ 1,537	$ 781
ZOO ANIMALS RESERVE ACCOUNT	208,164	192,124
	$209,701	$192,905

Zoo Animals Reserve Account

For the Year Ended December 31, 1986

	1986	1985
Opening Balance	$192,124	$172,716
ADD		
Animal Sales	69,446	66,026
Interest Earned	13,928	14,420
	275,498	253,162
DEDUCT		
Disbursements	67,334	61,038
Closing Balance	$208,164	$192,124

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

The City of Winnipeg
Zoo Purposes Reserve Fund
Balance Sheet
As at December 31, 1986

Assets

	1986	1985
DUE FROM GENERAL REVENUE FUND	$104,049	$61,763

Liabilities

	1986	1985
ZOO PURPOSES RESERVE ACCOUNT	$104,049	$61,763

Zoo Purposes Reserve Account
For the Year Ended December 31, 1986

	1986	1985
Opening Balance	$61,763	$31,109
ADD		
Donations Box Revenue	13,936	13,441
Feeding Dispenser Revenue	7,105	5,680
Adoption Program Revenue	15,815	14,105
Colouring Books Revenue	6,283	2,720
Rental Stroller/Wheelchairs	12,408	—
	117,310	67,055
Interest Earned	5,739	3,499
	123,049	70,554
DEDUCT		
Disbursements	19,000	8,791
Closing Balance	$104,049	$61,763

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

The City of Winnipeg
General Capital Fund, General Revenue Fund and Reserve Funds
Notes to the Financial Statements

December 31, 1986

1. **Significant Accounting Policies**

A. FOREIGN EXCHANGE ON DEBENTURE DEBT—General Capital Fund

Unrealized exchange losses relating to the translation of long term foreign currency bond issues at the exchange rates prevailing at the balance sheet date, are fully provided for in the Long Term Debt section. (See Note 6(b))

B. TAX ARREARS AND ALLOWANCE FOR TAX ARREARS—General Revenue Fund

The allowance for Tax Arrears is not an allowance to bring the value of the taxes receivable to their estimated realizable value. It is an account which fully provides for uncollected taxes.

C. ALLOWANCE FOR ACCOUNTS RECEIVABLE—General Revenue Fund

Includes an allowance of $238,361 to bring the value of Accounts Receivable to their estimated realizable value and an allowance in the amount of $1,241,231 to convert certain revenue to a cash basis.

D. ACCOUNTS PAYABLE—General Revenue Fund

Commitments arising from purchase orders for goods and services which were not received during the year, are set up as accounts payable. (See Note 11)

E. FIXED ASSETS—General Capital, Revenue and Equipment Replacement Reserve Funds

Fixed assets of the General Capital Fund are valued at the amount of existing liabilities. In addition to assets which are capitalized, certain assets are treated as expenditures in the Revenue Fund and vehicles and associated equipment are treated as expenditures in the Equipment Replacement Reserve Fund.

F. MATERIALS AND SUPPLIES

Inventories are valued at specific cost, first in first out, last in first out and estimated cost.

G. GROSS ACCOUNTING CONCEPT

All revenues received and expenditures paid by the city with minor exceptions are reported at their gross amount in the accounting records.

H. ALLOWANCE FOR AGREEMENTS FOR LAND SALES—Land Operating Reserve Fund

This is not an allowance to bring the value of Agreements for Land Sales to their estimated realizable value. It is an allowance to convert land sales revenue to a cash basis.

I. ACCRUAL BASIS OF ACCOUNTING—General Capital, Revenue and Reserve Funds

As noted in notes 1C and H, a cash basis of accounting is used for these revenues. A cash basis is also used for other revenues where accruals are not practical, such as licenses and police court fines. Interest revenue and expense are accrued for all external investments and debt (see note 5d) but no accruals are reflected for long-term intra-fund liabilities to the General Reserve Fund. All other items of revenue and expenditure are accounted for on an accrual basis.

J. OVERHEAD ON CAPITAL PROJECTS

Administration (to a maximum charge of $100,000 on any individual project) and interest are added on capital contract work and capitalized in the General Capital Fund. From time to time Council has waived this policy.

2. **Fixed Assets - General Capital Fund**

a) Financed from General Reserve Fund — This asset is the cost of Local Improvements and other capital assets which have been financed from various reserve funds or Nominal Surplus during prior years or which were financed from the General Reserve Fund since January 1, 1972. This asset has been set up in the accounts to record the principal amount which is receivable from the General Revenue Fund and the ratepayers in the future, during the term of the various levying by-laws, with the offsetting liability shown as "Due to General Reserve Fund".

b) Financed from Land Operating Reserve Fund — This asset is the cost of Local Improvements which have been financed from the Land Operating Reserve Fund to improve City owned unserviced land for re-sale. This asset has been set up in the accounts to record the principal amount which is receivable from the General Revenue Fund and the ratepayers in the future, during the term of the various levying by-laws, with the offsetting liability shown as "Due to Land Operating Reserve Fund".

3. **Joint Use Facilities**—General Capital Fund

This asset represents the City's share of developing recreational and other facilities with School Boards.

4. **Funds on Deposit with Sinking Fund Trustees—For the City of Winnipeg**—General Capital Fund

a) The Sinking Fund Trustees of The City of Winnipeg is a separate corporate entity incorporated under the provisions of The City of Winnipeg Act.

b) Included in this asset are deposits for foreign exchange requirements of $20,042,035.

5. **Debenture Debt**—General Capital and Utility Funds

a) All sinking fund debenture issues provide for full sinking fund at maturity on the basis of actuarial capitalizations averaging approximately 4.85%, with the exception of the following:

i) By-law 1586/77 — In 1977 the City of Winnipeg under By-law 1586/77 issued 10-year sinking fund debentures. The 3% levy provision as permitted under Section 304(1) of the City of Winnipeg Act would result in a sinking fund deficiency at maturity. To ensure that sufficient funds are available to retire the bonds on the due date, additional monies at present are being appropriated annually from the General Revenue Fund and/or Sinking Fund surplus to meet the annual requirement for full sinking fund provision. In 1986, the entire additional requirement of $1,485,137 was realized as a contribution from the Sinking Fund Trustees.

ii) By-law 2622/80 — In 1980 the City of Winnipeg under By-law 2622/80 issued 8-year sinking fund debentures, extendible for an additional 8 years. The 5% levy provision as permitted under Section 304(1) of the City of Winnipeg Act will result in a sinking fund deficiency requiring refinancing if the debentures are redeemed at the end of 8 years. If the issue remains outstanding until 1996, a sinking fund sufficient to fully retire the issue will be available.

iii) The following table sets out those By-laws which, as a result of the levies being provided and the terms of the issues, will result in sinking fund deficiencies requiring these issues to be refinanced at maturity.

By-law	Year of Issue	Term of Issue	Levy
3807/84	1984	7 Years	3%
4025/85	1985	5 Years	3%
4246/86	1986	5 Years	3%
4247/86	1986	7 Years	3%
4347/86	1986	10 Years	3%

b) All debentures are general obligations of the City. Debenture debt is allocated to the General Capital and Utilities Funds in the amounts shown in the issuing by-law.

c) At maturity the debenture debt is payable in the following currencies:

i)

	General Capital Including Schools	Utilities	Total
In Canadian Dollars	$307.930.350	$163.666.324	$471.596.674
In United States Dollars	99.966.665	42.900.000	142.866.665
	$407.897.015	$206.566.324	$614.463.339

ii) Included in the $307,930,350 is an amount of $43,253,000 which represents the City's Canadian dollar liability under the terms of a Japanese Yen -United States dollar fully swapped combination of loans which mature in 1993.

d) Includes debt in the amount of $ 462,000 issued on behalf of the Winnipeg School Division No. 1 by the former City of Winnipeg. The School Division issued its debentures to the City of Winnipeg as collateral for the City of Winnipeg debentures issued on its behalf. All interest and principal requirements are recovered from the School Division who in turn recover these costs from the Provincial Government. The City does not accrue interest on School Division debt.

e) City of Winnipeg debentures are held as investments in various funds as follows:

General Revenue Fund	$ 311.683 par value
Reserve Funds administered by the City Treasurer	$ 4.427.000 par value
Reserve Funds administered by the Sinking Fund Trustees of The City of Winnipeg	$ 2.168.000 par value
Pension Funds	$16.539.000 par value
Sinking Fund Administered by the Sinking Fund Trustees of The City of Winnipeg	$70.994.832 par value

6. **Provision for Foreign Exchange at Maturity**—General Capital, Revenue and Utility Funds

a) Sufficient funds are on deposit with the Sinking Fund Trustees for sinking fund debenture issues payable in foreign currencies to maintain the actuarial requirements in Canadian dollars at the equivalent of the foreign currencies at the exchange rates prevailing at the balance sheet date.

General Capital Fund	$20.042.035
Hydro Electric System	3.308.526
Transit System	2.094.470
Water Works System	3.809.537
Sewage Disposal System	2.333.912
	$31.588.480

b) Debenture debt payable in foreign currencies amounted to $142.866.665 as at December 31, 1986. The foreign exchange on this liability at the exchange rates prevailing at balance sheet date totalled $54.289.333. To date $22.902.014 has been accumulated towards this contingency at maturity through the retention of exchange premiums realized on foreign currency debenture issues, contributions from sinking fund surpluses and charges to current operations. The City has adopted a policy of including foreign exchange on Sinking Fund holdings of U.S. securities to reduce the amount to be amortized. The exchange attributed to these investments totalled $4.084.240. The foreign exchange deficiency of $27.303.079 (an amount which will be recalculated annually as the requirement for such purpose may from year to year vary) has been set up as deferred charges to be amortized over the remaining life of the related debenture issues by annual charges to appropriations and/or operations.

			Provision for Foreign Exchange		
	Debenture Debt Payable in Foreign Currencies	Foreign Exchange Liability	Accumulated Provision to Date	Foreign Exchange On Sinking Fund held Investments	Deferred to Future Periods
General Capital Fund	$99.966.665	$37.987.333	$15.461.426	$2.694.172	$19.831.735
Hydro Electric System	15.600.000	5.928.000	2.420.094	704.339	2.803.567
Transit System	6.500.000	2.470.000	1.509.022	254.600	706.378
Water Works System	13.900.000	5.282.000	2.357.901	328.901	2.595.198
Sewage Disposal System	6.900.000	2.622.000	1.153.571	102.228	1.366.201
	$142.866.665	$54.289.333	$22.902.014	$4.084.240	$27.303.079

7. **Deferred Liabilities**—General Capital Fund

Under the terms of certain development agreements, the City is required to pay the developer local improvement taxes to be collected in future years, in payment for improvements made which benefit property not included in the development agreement.

8. **Sinking Fund Reserve**—General Capital and Utility Funds

The Sinking Fund Trustees have allocated $16,433,183 of their surplus to the City to be distributed as follows:

$ 5,253,000	toward foreign exchange costs — 1986 Budget
2,180,183	toward full sinking fund provision of debenture by-law 1586/77 — 1987 Budget
9,000,000	toward levy commutations — 1987 Budget
$16,433,183	

9. **Tax Arrears and Allowance for Tax Arrears**—General Revenue and Future Tax Levies Reserve Funds

a) In 1972 City Council adopted a policy of purchasing all tax sale certificates which may subsequently be redeemed by the original owner within one year or assigned by the City to anyone demonstrating a legal interest, failing which the City will acquire title.

b) Tax Arrears does not include arrears for property for which the City has acquired title through tax sale procedures. Tax titles are transferred to Land Operating Reserve Fund in the year in which title is acquired and in 1986 this amounted to $157,268. If the property is sold in a subsequent year, the sale is recorded in the Land Operating Reserve Fund at that time.

c) In accordance with a policy established by the former City of Winnipeg and approved by Council on May 16, 1973, uncollected taxes are fully provided for. At December 31, 1986 the Allowance for Tax Arrears exceeded the amount of uncollected taxes and penalties after giving effect to write-offs amounting to $624,731 and the excess of $230,786 was credited back to the reserve for Future Tax Levies.

10. **Contingent Liabilities** — General Capital, Revenue and Severance Sick Leave Reserve Funds

a) There is a contingent liability to the City which has unconditionally guaranteed the payment of principal and interest on the following debentures:

1972		
Winnipeg Enterprises Corporation 8½% Sinking Fund Due 1992		$ 1,500,000
1978		
Winnipeg Enterprises Corporation 9% 6 - 10 year Serial 1984 - 1988	293,000	
Winnipeg Enterprises Corporation 9¼% 11 - 15 year Serial 1989 - 1993	995,000	
Winnipeg Enterprises Corporation 9½% 16 - 20 year Serial 1994 - 1998	1,539,000	2,827,000
1979		
Winnipeg Enterprises Corporation 10¼% Serial 1979 - 1987		601,000
1981		
Winnipeg Enterprises Corporation 14% Serial 1981 - 1991		1,152,000
		$6,080,000

The debentures of the Winnipeg Enterprises Corporation are held as investments by the Sinking Fund Trustees of The City of Winnipeg. There is an actuarial Sinking Fund Reserve of $927,433 accumulated at December 31, 1986 for the redemption of the sinking fund debentures.

b) Under the terms of an agreement with the Province of Manitoba for the financing of the tunnel connecting the Centennial Centre with the Civic Centre complex, there is a liability to the Province in the amount of $86,606 being the outstanding balance of the Province's share of the amortization of the capital cost of the tunnel. This amount will be recovered from night parking revenue earned in the Civic Centre Parkade.

c) Under the sick pay credit plans for certain employees of the city, unused sick leave credits accumulate and employees with specified minimum service requirements become entitled to a cash payment upon retirement, death or termination of service under certain conditions (not resignation). In order to counteract the budgetary effect of an unusually high cost in any one year, The Severance Sick Leave Reserve Fund was established by Council in 1972.

d) The City is defendant in five significant lawsuits as at December 31, 1986. At this time ultimate liability is not determinable. Normal contingent liabilities exist consisting of routine claims for street and sidewalk accidents, property damage, etc.

e) No provision has been made in the accounts for commitments arising from property expropriations.

11. **Commitments included in Accounts Payable** — General Revenue Fund

For purposes of financial control, the City's accounts are encumbered at the year end with purchase orders for goods and services which were not received amounting to $5,257,521 in 1986. The effect of this policy is to provide for these expenditures in the current year when they would otherwise be a charge against future operations.

12. **Land Assets**—General Capital and Land Operating Reserve Funds

a) General Capital Fund—Land purchases which are financed through the Capital Fund are amortized by repayment of the debt.

b) Land Operating Reserve Fund—Land purchases including land acquired in tax sale and the cost of local improvements on these disposable city properties have been recorded as assets at cost.

c) Land sales includes revenue from sale of land not included in Property and Improvements inventory.

d) As at December 31, 1986 the City of Winnipeg owned approximately 13,877 acres of land within its boundaries, excluding land legally designated for transportation purposes, having a total assessed value of $43,403,220 for land and $58,443,697, for buildings.

13. **Realty Tax** — General Revenue Fund

The Realty Tax Roll initial billing for the year produced $430,008,904 in revenue. The amount of $430,041,170 which was equal to the amount budgeted for this item was taken into revenue. The difference of $32,266 was transferred from the Future Tax Levies Reserve Fund.

14. **Realty Taxes Added** — General Revenue and Future Tax Levies Reserve Funds

Realty Taxes Added and other adjustments for the year mainly as a result of new construction amounted to $5,240,649. This amount was credited to the Future Tax Levies Reserve Fund. The budgeted amount of $2,148,000 was taken into income. This conforms to the policy approved by City Council.

15. **Licenses in Lieu of Taxes** — General Revenue Fund

a) Realty Tax - mobile homes are not assessed on the tax roll but are taxed by way of license in accordance with standardized rates.

b) Business Tax - businesses that are not assessed on the tax roll are taxed at prevailing rates by way of license.

16. **Amortization of Pension Fund Deficits**

City Council has adopted a policy of amortizing unfunded pension fund liabilities in accordance with the Pension Benefit Act of the Province. The latest actuarial valuations are as at December 31, 1985. Amortization payments in 1986 were based on the new valuations in anticipation of approval by City Council. The one exception was the Transcona Pension Fund payment of $151,000 which was in accordance with the previous valuation.

Pension Fund	Liability Dec. 31, 1986		Annual Payment	Term
1. Employee Benefits	$39,536,300	(Pension Improvements)	$4,999,000	to 2000
2. Employee Benefits — Firefighters	5,963,000	(Pension Improvements)	754,000	to 2000
3. Employee Benefits	555,600		173,000	to 1990
4. Employee Benefits — Firefighters	2,542,600		790,000	to 1990
5. Transcona	72,800		25,000	to 2000
6. Council Members (Pre 1972)	40,594		6,281	to 1994

All liabilities listed are charged to the General Revenue Fund except for items 1 and 3 which have been apportioned in part to the City's utilities and other operating funds as follows:

	1. Employee Benefits		**3. Employee Benefits**	
	Liability	Annual Payment	Liability	Annual Payment
General Revenue	$19,491,400	$2,464,507	$273,900	$85,289
Hydro Electric System	3,242,000	409,918	45,600	14,186
Steam Heating System	237,200	29,994	3,300	1,038
Transit System	10,714,300	1,354,729	150,600	46,883
Water Works System	2,174,500	274,945	30,600	9,515
Sewage Disposal System	672,100	84,983	9,400	2,941
Equipment and Material Services	988,400	124,975	13,900	4,325
Municipal Hospitals	2,016,400	254,949	28,300	8,823
	$39,536,300	$4,999,000	$555,600	$173,000

17. **Interest on Reserve Funds**

Interest is credited to the following reserve funds: General Reserve Fund, Future Tax Levies Reserve Fund, Equipment Replacement Reserve Fund, Severance Sick Leave Reserve Fund, Land Operating Reserve Fund, Contributions in Lieu of Land Dedication Reserve Fund, Recreation Programming Reserve Fund, Watermain Renewal Reserve Fund, Zoo Animals Reserve Fund and Zoo Purposes Reserve Fund.

The Workers Compensation Reserve Fund, Parks Reserve Fund and Insurance Reserve Fund are administered by the Sinking Fund Trustees. Interest earned on these reserve funds is from investments of each individual fund.

18. **Provincial Government Grants — General Revenue Fund**

The Provincial Government provided a grant of $16,119,833 toward the 1986 Transit System deficit and this amount was transferred as part of the Appropriation to Transit System.

19. **Changes in Accounting Treatment**

The following changes in accounting treatment were instituted in 1986.

General Revenue Fund - Statement of Revenue and Expenditure

a) A Provincial Government grant of $1,030,817 was credited directly to the Winnipeg Ambulance Service Fund in 1986. In prior years the grant for this purpose was also recorded as revenue and expense in the General Revenue Fund. 1985 was not restated.

b) In 1986 Workers Compensation costs were charged on a departmental basis while in 1985 these costs, amounting to $4,152,013, were included in the corporate amount for Employee Benefits. 1985 was not restated.

Equipment Replacement Reserve Fund Balance Sheet

c) In 1986 the method of determining the allocated portion of the fund has been changed from carrying forward the unused portion of the current years replacement budget plus the unused portion of the budgets for uncompleted vehicles in previous years replacement budgets to carrying forward the unused portion of all annual replacement budgets for which there are still uncompleted vehicles. This had the effect of increasing the Allocated portion for 1985 by $1,498,478. The 1985 figures have been restated for comparative purposes.

The City of Winnipeg
Workers Compensation Reserve Fund
Balance Sheet

As at December 31, 1986

Assets

INVESTMENT IN BONDS AND DEBENTURES (Note)

1986 Par Value		1986	1985
$ 50,000	Provincial	$ 50,000	$ 50,000
25,000	Provincial guaranteed	23,937	23,937
484,000	City of Winnipeg	474,106	487,106
$ 559,000	Total investment in bonds and debentures	548,043	561,043
	Accrued Interest	9,325	7,275
	Cash	171,026	1,213
	Accounts Receivable	1,000,000	215,206
	TOTAL	$1,728,394	$ 784,737

Liabilities

	1986	1985
FUNDS DUE CITY OF WINNIPEG - 1986 DEFICIT	$1,157,981	$ 124,800
ACCOUNTS PAYABLE	300	300
WORKERS COMPENSATION RESERVE ACCOUNT	570,113	659,637
TOTAL	$1,728,394	$ 784,737

THE ACCOMPANYING NOTE IS AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

Auditors' Report

To the Sinking Fund Trustees of
The City of Winnipeg

We have examined the balance sheet of The City of Winnipeg—Workers Compensation Reserve Fund as at December 31, 1986 and the statement of workers compensation reserve account for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Fund as at December 31, 1986 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Deloitte, Haskins & Sells,
Chartered Accountants

Winnipeg, Manitoba
April 6, 1987

The City of Winnipeg
Workers Compensation Reserve Account

For the Year Ended December 31, 1986

	1986	1985
BALANCE AT BEGINNING OF THE YEAR	$ 659,637	$ 376,593
ADD		
Interest income	68,948	62,391
City of Winnipeg - Surplus from operations	—	215,206
- Other contributions	1,000,000	5,747
	1,728,585	659,937
DEDUCT		
Due City of Winnipeg — 1986 Deficit	1,157,981	—
Call Fund Administration Fee - City of Winnipeg	191	—
Audit Fees	300	300
BALANCE AT END OF THE YEAR	$ 570,113	$ 659,637

Note to the Financial Statements

December 31, 1986

VALUATION OF INVESTMENTS

Investments are carried at the lower of cost or par value. Any premiums paid on the purchase of investments are written off to reserve account in the year of purchase.

When investments are sold or mature, the difference between carrying value and proceeds is written-off or credited to reserve account at that time.

The City of Winnipeg
Parks Reserve Fund
Balance Sheet

As at December 31, 1986

Assets

INVESTMENT IN BONDS AND DEBENTURES (Note)

1986 Par Value		1986	1985
$ 835,000	Government of Canada & Canada guaranteed	$ 831,875	$ 831,875
64,000	Provincial & Provincial guaranteed	63,750	103,750
192,000	City of Winnipeg	182,353	182,353
43,000	Other Canadian cities	40,797	43,688
$1,134,000	Total investment in bonds and debentures	1,118,775	1,161,666
	Bond Residues and Coupons - Government of Canada	307,107	39,684
	- Provincial	683,042	598,826
		2,108,924	1,800,176
	Accrued Interest	39,493	41,711
	Cash	763	1,683
	Call loans—City of Winnipeg	18,400	138,500
	TOTAL	$2,167,580	$1,982,070

Liabilities

ACCOUNTS PAYABLE	$ 667	$ 900
RESERVE ACCOUNTS		
Perpetual maintenance—Brookside Cemetery	2,156,435	1,877,757
—Special Plots	10,478	10,482
—St. Vital Cemetery	—	56,435
—Transcona Cemetery	—	36,496
TOTAL	$2,167,580	$1,982,070

THE ACCOMPANYING NOTE IS AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

Auditors' Report

To the Sinking Fund Trustees of
The City of Winnipeg:

We have examined the balance sheet of The City of Winnipeg—Parks Reserve Fund as at December 31, 1986 and the statement of reserve accounts for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Fund as at December 31, 1986 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Deloitte, Haskins & Sells,
Chartered Accountants

Winnipeg, Manitoba
April 6, 1987

The City of Winnipeg
Parks Reserve Accounts

For the Year Ended December 31, 1986

	1986	1985
BROOKSIDE CEMETERY MAINTENANCE		
Balance at beginning of the year	$1,877,757	$1,635,852
Add		
Capital additions contributed by The City of Winnipeg	46,923	42,142
Interest income	231,079	200,727
Net Gain on Disposal of Securities	1,110	—
	2,156,869	1,878,721
Deduct		
Audit Fees	300	300
Call fund administration fees - City of Winnipeg	135	664
Balance at end of the year	$2,156,434	$1,877,757
SPECIAL PLOTS MAINTENANCE		
Balance at beginning of the year	$ 10,482	$ 10,484
Add interest income	364	365
	10,846	10,849
Deduct annual maintenance	368	367
Balance at end of the year	$ 10,478	$ 10,482

St. Vital Cemetery

	1986	1985
Balance at beginning of the year	$ 56,435	$ 44,592
Add		
Capital additions contributed by The City of Winnipeg	—	7,687
Interest income	—	4,156
	56,435	56,435
Deduct		
Transfer to St. Vital Cemetery Reserve Fund	(56,435)	—
Balance at end of the year	$ —	$ 56,435

Transcona Cemetery

	1986	1985
Balance at beginning of the year	$ 36,496	$ 30,386
Add		
Capital additions contributed by The City of Winnipeg	—	4,057
Interest income	—	2,053
	36,496	36,496
Deduct		
Transfer to Transcona Cemetery Reserve Fund	(36,496)	—
Balance at end of the year	$ —	$ 36,496

THE ACCOMPANYING NOTE IS AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

Note to the Financial Statements

December 31, 1986

VALUATION OF INVESTMENTS

Investments are carried at the lower of cost or par value. Any premiums paid on the purchase of investments are written-off to reserve account in the year of purchase.

When investments are sold or mature, the difference between carrying value and proceeds is written-off or credited to reserve account at that time.

The City of Winnipeg
Transcona Cemetery Reserve Fund
Balance Sheet
As at December 31, 1986

Assets

	1986
INVESTMENT IN BOND RESIDUES AND COUPONS	$ 38.313
Cash	456
Call Loans—City of Winnipeg	7 500
TOTAL	$ 46.269

Liabilities

ACCOUNTS PAYABLE	$ 300
RESERVE ACCOUNT	45.969
TOTAL	$ 46.269

Transcona Cemetery Reserve Account

Balance at Beginning of the Year	$ 36.497
Add:	
Interest Income	4.628
Capital Contributions — City of Winnipeg	5.178
	46.303
Deduct:	
Administration Fees	334
Balance at End of the Year	$ 45.969

THE ACCOMPANYING NOTE IS AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

Auditors' Report

To the Sinking Fund Trustees of
The City of Winnipeg:

We have examined the balance sheet of The City of Winnipeg—Transcona Cemetery Reserve Fund as at December 31, 1986 and the statement of reserve accounts for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Fund as at December 31, 1986 and the results of its operations for the year then ended in accordance with generally accepted accounting principles consistently applied.

Deloitte, Haskins & Sells,
Chartered Accountants

Winnipeg, Manitoba
April 6, 1987

Note to the Financial Statements

December 31, 1986

SIGNIFICANT ACCOUNTING POLICIES

Fixed income investments

Fixed income investments are carried at the lower of cost or par value. Any premiums paid on the purchase of these investments are written-off to the income account in the year of purchase.

When investments are sold or mature, the difference between carrying value and proceeds is written-off or credited to reserve account at that time.

Bond residues and coupons

Bond residues and coupons are carried at cost plus accrued income. Income is accrued on the book value of the investments at a rate equivalent to the effective yield of each investment.

The City of Winnipeg
St. Vital Cemetery Reserve Fund
Balance Sheet

As at December 31, 1986

Assets

	1986
INVESTMENT IN BOND RESIDUES AND COUPONS	$ 58,619
Cash	379
Call Loans—City of Winnipeg	10,000
TOTAL	$ 68,998

Liabilities

ACCOUNTS PAYABLE	$ 300
RESERVE ACCOUNT	68,698
TOTAL	$ 68,998

St. Vital Cemetery Reserve Account

Balance at Beginning of the Year	$ 56,435
Add	
Interest Income	6,414
Capital Contributions — City of Winnipeg	6,171
	69,020
Deduct	
Administration Fees	322
Balance at End of the Year	$ 68,698

THE ACCOMPANYING NOTE IS AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

Auditors' Report

To the Sinking Fund Trustees of
The City of Winnipeg:

We have examined the balance sheet of The City of Winnipeg—St. Vital Cemetery Reserve Fund as at December 31, 1986 and the statement of reserve accounts for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Fund as at December 31, 1986 and the results of its operations for the year then ended in accordance with generally accepted accounting principles consistently applied.

Deloitte, Haskins & Sells,
Chartered Accountants

Winnipeg, Manitoba
April 6, 1987

Note to the Financial Statements

December 31, 1986

SIGNIFICANT ACCOUNTING POLICIES

Fixed income investments

Fixed income investments are carried at the lower of cost or par value. Any premiums paid on the purchase of these investments are written-off to the income account in the year of purchase.

When investments are sold or mature, the difference between carrying value and proceeds is written-off or credited to reserve account at that time.

Bond residues and coupons

Bond residues and coupons are carried at cost plus accrued income. Income is accrued on the book value of the investments at a rate equivalent to the effective yield of each investment.

The City of Winnipeg Insurance Reserve Fund Balance Sheet

As at December 31, 1986

Assets

INVESTMENT IN BONDS AND DEBENTURES (Note)

1986 Par Value		1986	1985
$1,650,000	Government of Canada	$1,649,063	$1,549,063
50,000	Provincial and Provincial guaranteed	50,000	50,000
1,494,000	City of Winnipeg	1,479,080	1,513,080
$3,194,000	Total investment in bonds and debentures	3,178,143	3,112,143
	Accrued Interest	111,813	111,032
	Cash	1,619	633
	Call Loans—City of Winnipeg	420,500	588,500
	TOTAL	$3,712,075	$3,812,308

Liabilities

	1986	1985
ACCOUNTS PAYABLE	$ 386,021	$ 514,736
INSURANCE RESERVE ACCOUNT	3,326,054	3,297,572
TOTAL	$3,712,075	$3,812,308

THE ACCOMPANYING NOTE IS AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

Auditors' Report

To the Sinking Fund Trustees of
The City of Winnipeg:

We have examined the balance sheet of The City of Winnipeg—Insurance Reserve Fund as at December 31, 1986 and the statement of insurance reserve account for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Fund as at December 31, 1986 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Deloitte, Haskins & Sells,
Chartered Accountants

Winnipeg, Manitoba
April 6, 1987

The City of Winnipeg
Insurance Reserve Account

For the Year Ended December 31, 1986

	1986	1985
BALANCE AT BEGINNING OF THE YEAR	$3,297,572	$3,404,507
ADD		
Interest income	415,953	409,287
Gains on disposal of investments	—	750
	$3,713,525	$3,814,544
DEDUCT		
Premium on Purchase of Investments	500	—
Call Fund Administration Fee - City of Winnipeg	950	2,236
Audit fees	300	300
Appropriations for current year's claims	385,721	514,436
	387,471	516,972
BALANCE AT END OF THE YEAR	$3,326,054	$3,297,572

Note to the Financial Statements

December 31, 1986

VALUATION OF INVESTMENTS

Investments are carried at the lower of cost or par value. Any premiums paid on the purchase of investments are written off to reserve account in the year of purchase.

When investments are sold or mature, the difference between carrying value and proceeds is written-off or credited to reserve account at that time.

Kildonan Park Golf Course
18 hole, 5021 meters, par 69. Grass greens, club house, licensed dining room, equipment rental and watered fairways.

Trust Funds

The City of Winnipeg
Trust Funds Balance Sheet

As at December 31, 1986

Assets

	1986	1985
DUE FROM GENERAL REVENUE FUND	$85,663	$76,209

Liabilities

	1986	1985
LIBRARY TRUST	$10,542	$ 8,165
ST. BONIFACE MUSEUM BOARD TRUST	52,026	48,158
PORTAGE AND MAIN CONCOURSE TRUST	16,457	14,069
ZOO TRUST	6,638	5,817
	$85,663	$76,209

Trust Funds Account

For the Year Ended December 31, 1986

	Library Trust		St. Boniface Museum Board Trust		Portage & Main Concourse Trust		Zoo Trust		Trust Funds Total	
	1986	1985	1986	1985	1986	1985	1986	1985	1986	1985
Opening Balance	$ 8.165	$ 1.859	$48.158	$45.165	$14.069	$11.598	$ 5.817	$ 4.903	$76.209	$63.525
ADD:										
Contributions	12.870	7.812	400	—	1.332	1.504	390	509	14,992	9,825
Interest Earned	647	377	3.468	3.515	1.056	967	431	405	5.602	5.264
	21.682	10.048	52.026	48.680	16.457	14.069	6.638	5.817	96.803	78.614
DEDUCT:										
Disbursements	11.140	1.883	—	522	—	—	—	—	11.140	2.405
Closing Balance	$10.542	$ 8.165	$52.026	$48.158	$16.457	$14.069	$6.638	$5.817	$85.663	$76.209

Trust Funds

LIBRARY TRUST

Is comprised of donations from private citizens and organizations in support of various library services. The City Librarian is the Fund Manager.

ST. BONIFACE MUSEUM BOARD TRUST

Is comprised of Senior Government grant funds to be specifically utilized for the museum's capital, operating and tape transcript programs. The Administrator of the museum is the Fund Manager.

PORTAGE & MAIN CONCOURSE TRUST

Is funded by way of a square footage levy on Concourse shop tenants. The funds are to be utilized for the promotion or benefit of the Concourse. The Director of Civic Properties is the Fund Manager.

ZOO TRUST

Is comprised of donations from private citizens and organizations for any zoo purpose. Funds were originally derived from the sale of promotional decals donated by the Zoological Society of Manitoba. The General Manager of Parks and Recreation is the Fund Manager.

The Trustees of the Dental Services Plan for The City of Winnipeg Employees

City Council on October 15, 1980 authorized the appointment of the City Treasurer, the Medical Health Officer and the Director of Personnel as trustees of the Dental Services Plan for The City of Winnipeg Employees.

The Plan revenue consists of contributions from The City of Winnipeg for dental claims paid by the Trustees and bank interest earned

The disbursements from this reserve are limited to eligible dental claims submitted to the service company by the employees and service company administration fees.

Auditor's Report

To The Trustees of the Dental Services Plan for
The City of Winnipeg Employees

I have examined the balance sheet of the Trustees of the Dental Services Plan for The City of Winnipeg Employees as at December 31, 1986 and the Trust Funds Account for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances. I have obtained all the information and explanations I have required.

In my opinion, these financial statements present fairly the financial position of the Dental Services Plan for The City of Winnipeg Employees as at December 31, 1986 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Chartered Accountant
and City Auditor

Winnipeg, Manitoba
May 21, 1987

The Trustees of the Dental Services Plan For The City of Winnipeg Employees Trust Fund Balance Sheet

As at December 31, 1986

Assets

	1986	1985
Cash in Bank	$ 182,644	$ 186,253
Accounts Receivable - The City of Winnipeg	324,275	244,698
Accrued Interest	1,319	1,050
	$ 508,238	$ 432,001

Liabilities

	1986	1985
Accounts Payable	$ 95,661	$ 116,937
Trust Account	412,577	315,064
	$ 508,238	$ 432,001

Trust Fund Account

For The Year Ended December 31, 1986

		1986	1985
Opening Balance		$ 315,064	$ 380,203
ADD	Contributions - The City of Winnipeg	3,823,504	3,327,735
	Interest Earned	13,378	15,813
		4,151,946	3,723,751
DEDUCT	Dental Claims	3,627,024	3,317,353
	Administration Fee	112,345	91,334
		3,739,369	3,408,687
Closing Balance		$ 412,577	$ 315,064

Note to the Financial Statements

December 31, 1986

ACCOUNTING POLICIES

The Fund's policy is to apply interest earned on the prior year to the current year's contributions made by The City of Winnipeg for dental benefits.

CITY OF WINNIPEG
UNUM CUM VIRTUTE MULTORUM

Tax Levies, Rates and Assessments

Tax Levies, Rates and Assessments

In addition to the tax revenues required to be raised for municipal purposes, Council, under the continuing provisions of the Public Schools Act, must fix and impose taxes sufficient to meet that portion of the cost of education that is to be raised through levies on assessable property within the City of Winnipeg.

The tax rate equalization effects of Provincial legislation enacted for the year 1972, i.e., unification and amendments to the Public Schools Act, were significant. This included the application of uniform mill rates for the municipal levy and the major part of the total schools requirement.

The amounts that were required to be raised in 1986 included the City's share of the Province's Education Support Program and the requirements of the twelve school divisions (located wholly or in part within the City) representing the portion of their costs that were determined to be the entire responsibility of the City.

A measure of tax relief on farm and residential properties was provided at a cost borne by the Provincial Government. Under the Manitoba Property Tax Credit program a resident homeowner qualified for a reduction of $325 on his 1986 property tax bill and, depending on his taxable income, for an additional credit of up to $200 claimable on the homeowner's 1986 income tax return. Other homeowners and residential tenants obtained their entire credit to a maximum of $525 via the income tax return. (The maximum property tax credit for senior citizens was $625.)

In addition, the Manitoba Pensioners' School Tax Assistance Program provided up to $175 in extra assistance to Manitoba pensioner homeowners whose school taxes exceeded $162.50

With respect to the application of tax revenues, the City has adopted the policy of fully reserving all tax arrears.

The City of Winnipeg
Tax Levies—1986

	1986	1985
REALTY		
Mill Rates (Including Provisions of $200.737.800 for Schools) *	$436.415.529	$404.876.706
Local Improvements, etc.	17.443.579	17.810.780
	453.859.108	422.687.486
BUSINESS	29.113.167	28.842.938
	$482.972.275	$451.530.424

Tax Collections and Arrears

	1986	1985
TAXES TO COLLECT		
Current Levy (*1 & 2)	$482.972.275	$451.530.424
Arrears (Including Net Additions)	37.483.176	31.175.914
Penalties	2.932.531	3.108.487
	523.387.982	485.814.825
COLLECTIONS		
Current Levy (*1 & 2)	462.770.098	431.120.103
Arrears	24.898.855	18.120.176
	487.668.953	449.240.279
TOTAL COLLECTIONS AS A PERCENTAGE OF THE CURRENT LEVY	100.97%	99.49%
ARREARS DECEMBER 31st	35.719.029	36.574.546
Less Allowance	35.719.029	36.574.546
	$ NIL	$ NIL

* Includes the following amounts paid direct to the City by the Provincial Government for property tax deductions allowed to certain taxpayers.

1. Property Tax Credit	$ 42.725.887	$ 41.797.052
2. School Tax Assistance	5.257.385	4.718.007
	$ 47.983.272	$ 46.515.059

Grants in Lieu of Taxes

	1986	1985
Province of Manitoba	$ 33.284.448	$ 30.053.722
Government of Canada	13.868.319	12.987.907
City of Winnipeg Utilities	4.767.534	4.475.436
Housing Authority	680.070	627.797
Civic Centre Car Park	119.147	111.853
Centennial Library Parking Garage	188.182	176.746
Winnipeg Square Parking Garage	316.163	297.080
Winnipeg Enterprises Corporation	8.000	8.000
Other	66.593	62.159
	$ 53.298.456**	$ 48.800.700**
** Includes School Levies	$ 23.214.493	$ 21.288.944

The City of Winnipeg
Realty Tax Mill Rates—1986 (1985)

		Farm and Residential Property			Other Property		
FORMER MUNICIPALITY	SCHOOL DIVISION	Municipal	Schools*	Total	Municipal	Schools*	Total
Charleswood	2	121.922 (117.343)	87.130 (83.981)	209.052 (201.324)	121.922 (117.343)	126.060 (122.608)	247.982 (239.951)
	3	121.922 (117.343)	94.990 (93.081)	216.912 (210.424)	121.922 (117.343)	133.920 (131.708)	255.842 (249.051)
East and North Kildonan	9	121.922 (117.343)	93.950 (92.144)	215.872 (209.487)	121.922 (117.343)	132.880 (130.771)	254.802 (248.114)
Fort Garry	3	121.922 (117.343)	94.990 (93.081)	216.912 (210.424)	121.922 (117.343)	133.920 (131.708)	255.842 (249.051)
	5	121.922 (117.343)	93.260 (89.646)	215.182 (206.989)	121.922 (117.343)	132.190 (128.273)	254.112 (245.616)
	14	121.922 (117.343)	101.020 (95.174)	222.942 (212.517)	121.922 (117.343)	139.950 (133.801)	261.872 (251.144)
Old and West Kildonan	10	121.922 (117.343)	97.700 (92.934)	219.622 (210.277)	121.922 (117.343)	136.630 (131.561)	258.552 (248.904)
St. Boniface	4	121.922 (117.343)	95.660 (93.323)	217.582 (210.666)	121.922 (117.343)	134.590 (131.950)	256.512 (249.293)
	8	121.922 (117.343)	95.270 (90.620)	217.192 (207.963)	121.922 (117.343)	134.200 (129.247)	256.122 (246.590)
St. James-Assiniboia	2	121.922 (117.343)	87.130 (83.981)	209.052 (201.324)	121.922 (117.343)	126.060 (122.608)	247 982 (239.951)
	21	121.922 (117.343)	92.350 (85.867)	214.272 (203.210)	121.922 (117.343)	131.280 (124.494)	253.202 (241.837)
St. Vital	6	121.922 (117.343)	95.560 (90.267)	217.482 (207.610)	121.922 (117.343)	134.490 (128.894)	256.412 (246.237)
Transcona	12	121.922 (117.343)	92.700 (93.124)	214.622 (210.467)	121.922 (117.343)	131.630 (131.751)	253.552 (249.094)
Tuxedo	3	121.922 (117.343)	94.990 (93.081)	216.912 (210.424)	121.922 (117.343)	133.920 (131.708)	255.842 (249.051)
Winnipeg	1	121.922 (117.343)	100.810 (88.269)	222.732 (205.612)	121.922 (117.343)	139.740 (126.896)	261.662 (244.239)

* Schools Mill Rates Detailed on Page 60.

The City of Winnipeg
Realty and Personal Property Assessments Used in the Preparation of the 1986 Budget

(INCLUDES PROPERTIES SUBJECT TO GRANTS IN LIEU OF TAXES)

	1986			1985			
FOR SCHOOL PURPOSES	Farm & Res.	Other	Total	Farm & Res.	Other	Total	Percentage Increase (Decrease) In 1986
School Division							
No. 1—Winnipeg	$ 416.625.230	$396.664.240	$ 813.289.470	$ 412.969.710	$391.179.180	$ 804.148.890	1.1
2—St. James-Assiniboia	168.322.140	107.818.610	276.140.750	167.482.660	106.523.310	274.005.970	0.8
3—Assiniboine South	102.917.970	16.949.230	119.867.200	94.624.540	16.757.080	111.381.620	7.6
4—St. Boniface	70.483.370	31.349.350	101.832.720	69.318.240	31.098.390	100.416.630	1.4
5—Fort Garry	101.524.980	67.661.720	169.186.700	98.329.900	67.073.660	165.403.560	2.3
6—St. Vital	113.075.450	15.741.660	128.817.110	109.290.600	15.236.860	124.527.460	3.4
8—Norwood	22.482.440	15.660.040	38.142.480	22.389.590	15.462.050	37.851.640	0.8
9—River East	153.121.220	20.342.820	173.464.040	149.705.040	19.945.650	169.650.690	2.2
10—Seven Oaks	101.138.550	16.890.250	118.028.800	98.833.050	16.614.800	115.447.850	2.2
12—Transcona-Springfield	53.340.800	30.962.060	84.302.860	51.145.360	29.981.150	81.126.510	3.9
14—Seine River	11.748.580	1.222.460	12.971.040	11.406.180	1.174.610	12.580.790	3.1
21—Interlake	232.130	9.210	241.340	232.130	9.210	241.340	0.0
TOTAL FOR SCHOOL PURPOSES	$1.315.012.860	$721.271.650	$2.036.284.510	$1.285.727.000	$711.055.950	$1.996.782.950	2.0
FOR MUNICIPAL PURPOSES			$2.066.527.630			$2.026.440.890	2.0

The City of Winnipeg
1986 Taxable Assessments by Property Classifications
As at the Closing of the Realty Assessment Rolls

	Land	Buildings	Total	%	Number of Holdings
Residential—Improved	$235,657,080	$ 774,534,380	$1,010,191,460	53.7	143,785.5
Residential—Vacant	13,194,380	—	13,194,380	0.7	7,686.5
Apartments	21,628,060	221,571,100	243,199,160	12.9	1,585.0
Agricultural	14,180,230	3,414,650	17,594,880	1.0	1,406.5
Commercial & Industrial—Improved	114,961,720	437,311,530	552,273,250	29.4	7,039.0
Commercial & Industrial—Vacant	11,844,360	—	11,844,360	0.6	1,219.0
	411,465,830	1,436,831,660	1,848,297,490	98.3	162,721.5
Personal Property		32,440,770	32,440,770	1.7	116.0
	$411,465,830	$1,469,272,430	$1,880,738,260	100.0	162,837.5

1986 Exempt Assessments by Ownership Classifications

	Land	Buildings	Total	%	Number of Holdings
City of Winnipeg—General	$ 42,131,970	$ 59,907,450	$ 102,039,420	21.9	3,290.5
—Tax Properties	1,176,060	104,250	1,280,310	0.3	727.0
	43,308,030	60,011,700	103,319,730	22.2	4,017.5
Provincial Government	15,841,390	85,236,350	101,077,740	21.8	1,214.0
Federal Government	8,676,130	45,308,150	53,984,280	11.6	173.0
Public Schools	11,511,110	72,823,950	84,335,060	18.2	267.5
Universities	2,548,040	40,683,600	43,231,640	9.3	24.0
Private Schools & Colleges	693,800	5,370,850	6,064,650	1.3	32.0
Hospitals	1,634,500	34,734,050	37,368,550	8.0	50.5
Churches	4,128,450	20,240,840	24,369,290	5.2	384.5
National Transcontinental Railway	1,022,020	4,623,450	5,645,470	1.2	16.0
Canadian Pacific Railway	746,940	934,480	1,681,420	0.4	63.0
Miscellaneous	489,600	3,122,450	3,612,050	0.8	46.5
	90,600,010	373,089,870	464,689,880	99.99	6,288.5
Personal Property	—	34,050	34,050	.01	19.0
	$ 90,600,010	$ 373,123,920	$ 464,723,930	100.0	6,307.5

NOTE: Properties acquired through tax sale procedure and remaining unsold are assessed at $1,280,310.

The City of Winnipeg
Schools Requirement—1986

TOTAL DEMAND

	1986	1985
PROVINCIAL EDUCATION SUPPORT PROGRAM LEVY		
Farm and Residential	$ 56,257,036	$ 54,911,460
Other Property	58,932,213	57,834,023
TOTAL LEVY	115,189,249	112,745,483
SPECIAL LEVIES (BY SCHOOL DIVISION)		
Winnipeg No. 1	47,197,700	36,637,800
St. James-Assiniboia No. 2	12,246,888	11,309,022
Assiniboine South No. 3	6,257,853	5,610,635
St. Boniface No. 4	5,384,926	5,082,606
Fort Garry No. 5	8,540,436	7,763,686
St. Vital No. 6	6,799,593	5,922,427
Norwood No. 8	2,001,911	1,813,533
River East No. 9	8,876,201	8,386,904
Seven Oaks No. 10	6,481,794	5,798,494
Transcona-Springfield No. 12	4,208,403	4,090,035
Seine River No. 14	755,376	660,060
Interlake No. 21	11,963	10,416
TOTAL SPECIAL LEVIES	108,763,044	93,085,618
TOTAL DEMAND	$223,952,293	$205,831,101

REVENUE SOURCES

Realty Taxes	$200,737,800	$184,542,157
Grants in Lieu of Taxes	23,214,493	21,288,944
	$223,952,293	$205,831,101

The City of Winnipeg
School Mill Rates—1986 (1985)

School Division	FARM AND RESIDENTIAL			OTHER		
	Provincial Support Levy	Special Levy	Total	Provincial Support Levy	Special Levy	Total
No. 1—Winnipeg	42.780	58.030	100.810	81.710	58.030	139.740
	(42.708)	(45.561)	(88.269)	(81.335)	(45.561)	(126.896)
2—St. James-Assiniboia	42.780	44.350	87.130	81.710	44.350	126.060
	(42.708)	(41.273)	(83.981)	(81.335)	(41.273)	(122.608)
3—Assiniboine South	42.780	52.210	94.990	81.710	52.210	133.920
	(42.708)	(50.373)	(93.081)	(81.335)	(50.373)	(131.708)
4—St. Boniface	42.780	52.880	95.660	81.710	52.880	134.590
	(42.708)	(50.615)	(93.323)	(81.335)	(50.615)	(131.950)
5—Fort Garry	42.780	50.480	93.260	81.710	50.480	132.190
	(42.708)	(46.938)	(89.646)	(81.335)	(46.938)	(128.273)
6—St. Vital	42.780	52.780	95.560	81.710	52.780	134.490
	(42.708)	(47.559)	(90.267)	(81.335)	(47.559)	(128.894)
8—Norwood	42.780	52.490	95.270	81.710	52.490	134.200
	(42.708)	(47.912)	(90.620)	(81.335)	(47.912)	(129.247)
9—River East	42.780	51.170	93.950	81.710	51.170	132.880
	(42.708)	(49.436)	(92.144)	(81.335)	(49.436)	(130.771)
10—Seven Oaks	42.780	54.920	97.700	81.710	54.920	136.630
	(42.708)	(50.226)	(92.934)	(81.335)	(50.226)	(131.561)
12—Transcona-Springfield	42.780	49.920	92.700	81.710	49.920	131.630
	(42.708)	(50.416)	(93.124)	(81.335)	(50.416)	(131.751)
14—Seine River	42.780	58.240	101.020	81.710	58.240	139.950
	(42.708)	(52.466)	(95.174)	(81.335)	(52.466)	(133.801)
21—Interlake	42.780	49.570	92.350	81.710	49.570	131.280
	(42.708)	(43.159)	(85.867)	(81.335)	(43.159)	(124.494)

Equipment and Material Services Fund

Equipment and Material Services

Historical Data

The Equipment and Material Services Branch was initiated by the former City of Winnipeg, which operated the Engineering Department consisting of Stores, Tools and Supplies, Equipment, Shops and Primary Materials. The Branch was carried on with the establishment of the Operations Department in 1974.

The Stores and Tools Section stores all materials, small tools and supplies required by the six public works districts and the shops section. Other City departments use the stores. The Stores Section is financed through a charge for services levied on goods sold. The Tools and Supplies Section provides service to the six public works districts and Construction Branch only, and financed through an overhead percentage charged on labour.

The Equipment Section, with a fleet of 1,100 units, ranging from ambulances to slip form pavers to air compressors, provides equipment to the Operations, Streets and Transportation, Civic Properties, Winnipeg Ambulance Service, Land Surveys and Real Estate Department and the License Branch of the Finance Department. The Equipment Section also administers the Equipment Replacement Reserve Fund and purchases equipment replacements (except for smaller pieces of equipment) for City departments.

The Equipment Operator Training program is also under the Equipment Section. This program provides for an operator training function for those departments that utilize City-owned equipment.

The Shops Section provides mechanical repair services for the Equipment Section fleet, a number of other departments and a fabrication, paint and carpentry function for the Equipment and Material Services Branch and other departments, such as minor maintenance work on City bridges for the Streets and Transportation Department.

The Primary Materials Section operates three gravel pits, a limestone quarry, asphalt concrete plant, portland cement concrete plant, and a broken pavement recycling operation, and the City weigh scale operations. The quarry at Stony Mountain was started in 1897, the gravel pit at Bird's Hill in 1882 and the asphalt and concrete plants were started in 1899 and 1924. The original plants have been replaced. The existing concrete and asphalt plants were constructed in 1953 and 1959; minor improvements have been made over the years. Products produced by the Primary Materials Section are sold to the Operations Department primarily, although other City departments and outside firms make purchases during the year.

Statistical Information

	1986	1985	1984
Limestone Products Sales (Tonnes)	40,664	32,586	31,887
Sand & Gravel Birds Hill (Tonnes)	8,549	16,662	37,175
Concrete Products Sales (m^3)	15,982	14,122	14,873
Aggregate Sales-Distribution (Tonnes)	90,512	99,828	100,175
Asphalt Mix Sales (Tonnes)	38,137	42,869	37,222
Sand & Gravel Pine Ridge (Tonnes)	233,651	221,854	150,970
Crushed Concrete Pavement Sales (Tonnes)	30,470	35,543	34,625
Weigh Scale Operation (Weigh-Ins)	18,411	—	—
Winter Abrasives Sales (Tonnes)	134,409	130,387	92,207

Financial Statements follow on Pages 63 to 66.

The City of Winnipeg
Equipment and Material Services
Balance Sheet

As at December 31, 1986

Assets

	1986	1985
CURRENT ASSETS		
Cash on Hand	$ 175	$ 75
Due from General Revenue Fund	1,733,520	558,101
Accounts Receivable		
Province of Manitoba	1,186	21,488
Government of Canada	1,022	686
Other	37,059	43,998
	39,267	66,172
Inventories (Note 2)	4,552,160	4,524,223
	6,325,122	5,148,571
FIXED ASSETS		
Property, Plant and Equipment (Note 1(A))		
Land	149,840	149,840
Buildings and Plants	1,249,102	1,130,899
Vehicular Equipment	26,203,155	24,620,842
Other Equipment	2,630,562	2,385,112
Tools and Supplies	2,145,418	1,857,620
	32,378,077	30,144,313
Building Improvements	296,357	224,568
Less: Accumulated Depreciation	159,900	110,628
	136,457	113,940
	32,514,534	30,258,253
	$38,839,656	$35,406,824

Liabilities

	1986	1985
CURRENT LIABILITIES		
Accounts Payable (Note 3)	$ 930,785	$ 960,242
Accrued Liabilities	147,714	121,928
Other Liabilities	300,717	233,758
	1,379,216	1,315,928
GRAVEL AND QUARRY PIT PROVISION FOR LAND REHABILITATION (Note 4)	357,868	339,114
	1,737,084	1,655,042

Equity

	1986	1985
CAPITAL INVESTED IN PLANT	32,378,077	30,144,313
RETAINED EARNINGS	4,724,495	3,607,469
	37,102,572	33,751,782
	$38,839,656	$35,406,824

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

The City of Winnipeg
Equipment and Material Services
Statement of Revenue and Expenditure
For the Year Ended December 31, 1986

	Budget 1986	Actual 1986	Actual 1985
REVENUE			
Equipment Section	$15,410,351	$15,704,406	$14,624,174
Shops Section	9,766,163	11,090,334	9,708,591
Stores Section (Note 6)	1,138,891	1,329,969	1,312,600
Tools and Supplies Section	1,161,634	1,166,439	1,135,025
Primary Materials Section	6,982,573	8,197,673	8,038,887
TOTAL REVENUE	$34,459,612	$37,488,821	$34,819,277
EXPENDITURE (Notes 7 & 8)			
Equipment Section (Note 1(B))	$15,243,600	$16,349,865	$14,972,566
Shops Section	9,644,590	10,404,431	9,540,880
Stores Section	1,193,141	1,083,374	1,023,939
Tools and Supplies Section	1,159,212	1,099,809	1,011,486
Primary Materials Section	6,792,178	7,434,316	7,621,031
TOTAL EXPENDITURE	34,032,721	36,371,795	34,169,902
NET PROFIT FOR THE YEAR	$ 426,891	$ 1,117,026	$ 649,375

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

The City of Winnipeg
Equipment and Material Services
Statement of Retained Earnings

For the Year Ended December 31, 1986

	1986	1985
Opening Balance	$3.607.469	$2.958.094
ADD Net Profit for the Year	1.117.026	649.375
Closing Balance	$4.724.495	$3.607.469

Statement of Changes in Financial Position

For the Year Ended December 31, 1986

	1986	1985
FUNDS WERE DERIVED FROM		
Current Operations		
Net Profit for the Year	$1.117.026	$ 649.375
ADD Expenses not Requiring Cash Outlay		
Depreciation	49.272	36.876
Gravel and Quarry Pit Rehabilitation Provision	20.946	19.912
Property. Plant and Equipment Financed from Operations	960.600	506.422
Total Funds from Current Operations	2.147.844	1.212.585
Contribution from General Revenue Fund	44.078	22.629
Contribution from Equipment Replacement Reserve	3.085.921	1.719.424
	5.277.843	2.954.638
FUNDS WERE EXPENDED FOR		
Property. Plant and Equipment	4.162.388	2.288.661
Land Rehabilitation	2.192	—
	4.164.580	2.288.661
Increase in Working Capital	$1.113.263	$ 665.977

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

The City of Winnipeg
Equipment and Material Services
Notes to the Financial Statements

December 31, 1986

1. **Significant Accounting Policies**

A. PROPERTY, PLANT AND EQUIPMENT

a) Land, Buildings and Plants, and Other Equipment are recorded at estimated values in accordance with available records when actual costs can not be determined and are considered completely depreciated.

b) Vehicular Equipment is recorded at cost. The Equipment Replacement Reserve Fund finances equipment requirements and records all purchases as an expense.

c) Tools and Supplies are recorded at cost.

B. REPLACEMENT PROVISION ON VEHICULAR EQUIPMENT

A replacement charge is paid to the Equipment Replacement Reserve by the Equipment Section based on the estimated cost of replacement. This expenditure is described as depreciation in the accounts of the Equipment Section.

2. **Inventories**

These are valued at cost based on the following methods:

Shops	$ 50,443	Average Cost
Stores	$3,486,323	Average Cost
Primary Material Services	$1,015,394	Retail

3. **Accounts Payable**

Commitments totalling $436,183 (1985 - $482,806) were recorded in accounts for goods and services which had not been received by the year end.

4. **Gravel and Quarry Pit Provision for Land Rehabilitation**

The City-owned quarry and gravel pits contribute 7¢ and 18¢ per tonne respectively as Provision for Land Rehabilitation. The provision rate was established by Urwick Currie in their review of the Primary Materials Section.

5. **Contingent Liability**

Under the sick pay credit plan of the Equipment & Material Services Branch, unused sick leave credits accumulate and employees with specified minimum service requirements become entitled to a cash payment upon retirement, death or termination of service under certain conditions (not resignation). The estimated liability for such accumulated credits has not been determined.

6. **Revenue**

a) Stores sales and cost of sales are not reflected in the statements. Revenue for Stores is the up-charge on sales to cover administration.

b) The majority of revenue generated by the Equipment and Material Services Funds are from City of Winnipeg Departments. Revenue from sources external to the City of Winnipeg amounted to $120,500 (1985 - $129,661)

7. **Administration**

This fund is charged with the estimated share of the City's General Overhead Expenditure applicable to the Equipment and Material Services Branch.

8. **Taxes**

The Equipment and Material Services Fund is charged with the full taxes paid to outside municipalities and to The City of Winnipeg General Revenue Fund. Taxes are assessed on the property as if it were privately owned.

9. **Amortization of Pension Fund Deficit**

City Council has adopted a policy of amortizing unfunded pension fund liabilities in accordance with the Pension Benefit Act of the Province. The latest actuarial valuations are as at December 31, 1985. Amortization payments in 1986 were based on the new valuations in anticipation of approval by City Council. The Equipment and Material Services portion is as follows:

Pension Fund	Unfunded Liability As At December 31, 1986		Annual Payment	Term
Employee Benefits	$988,400	(Pension Improvements)	$124,975	to 2000
Employee Benefits	13,900		4,325	to 1990
	$1,002,300		$129,300	

City Owned Utilities

Hydro Electric System — Spillway at the Pointe du Bois Power Station

Transit System — One of the City's 18 Handi-Transit vehicles which provide door-to-door transportation service for the physically handicapped.

Steam Heating System — The Amy Street Central Steam Heating and Turbine Standby Plant

Sewage Disposal System — The North-End Sewage Treatment Plant's 150,000 cubic feet storage sphere and Excess Burner for recycled sewer gas.

Water Works System — Aerial view shows the "Intake" of the City's water supply since 1919 at Indian Bay, 96 miles east of Winnipeg.

Hydro Electric System

Historical Data

A referendum in 1906 authorized the City to undertake the supply of electricity. A lease was secured for the Pointe du Bois power site on the Winnipeg River, which is renewable every twenty years in perpetuity. The lease has been extended to December 31, 1991. Power was first delivered from this plant in 1911.

The growing power requirements of the City were met by the construction of the Slave Falls plant which first delivered power in 1931. This power site was initially leased to the City for a term of 50 years, effective January 1932, with provision for the purchase of the plant by the Government at its option at any time after 1962 on a predetermined compensation basis; the lease was further extended for 40 years commencing January 1982.

To meet the rapidly growing power needs, a Steam Turbine Generating Plant was constructed with 11,000 kW capacity in 1924, which was extended to 51,000 kW capacity in 1954.

On November 1, 1955, an agreement was entered into between the City, the Manitoba Hydro Electric Board and the Manitoba Power Commission whereby the City became the sole distributor of electricity inside the City limits and the City relinquished to the Manitoba Power Commission all its distribution properties outside the City limits. By this agreement the Manitoba Hydro Electric Board undertook to provide and to sell to the City (and the City agreed to purchase) the power required in excess of the City's generating capacity until 1962. In 1959 this power sale and purchase agreement was extended to March 31, 1964. The Act governing the amalgamation of the Manitoba Power Commission and the Manitoba Hydro Electric Board which became effective April 1, 1961, protects the City's position by requiring the new Manitoba Hydro Electric Board to observe unchanged all the conditions of this power sale agreement. Early in 1963 an extension of the Power Agreement was negotiated for a further ten years to March 31, 1974, incorporating the same basic principles contained in the existing agreement.

The agreement was extended in 1973, 1976 and 1981.

The System has now four sources of electricity supply

1. Pointe du Bois—This plant has an installed capacity of 105,000 H.P., and the capital cost to date including four transmission circuits, tramway, bridges, etc., totals $11,064,784. The plant operates under a normal head of forty-six feet. Its equipment consists of sixteen horizontal water turbines. Power is delivered to the City by means of four 66,000 volt transmission circuits carried on two separate sets of towers.
2. Slave Falls—This plant has an installed capacity of 96,000 H.P. in eight vertical water wheel units operating under a normal head of 30 feet. The electrical output is transmitted to Winnipeg over two 132,000 volt transmission circuits on one set of steel towers. The capital expenditure to date on power plant, transmission lines and tramway is $12,682,051.
3. Steam Turbine Plant—The capacity of this plant is 72,700 shaft horsepower consisting of one 25,000 kW, one 15,000 kW, two 5,000 kW condensing steam turbines and one 1,000 kW non-condensing steam turbine. It is operated in conjunction with the Steam Heating System from which steam for the three smallest units is purchased. The capital expenditure to date on this plant totals $6,937,917.

   The capacity of this plant is available for use of the combined City and the Manitoba Hydro Electric Board System. Manitoba Hydro reimburses the City for its share of the costs of this Station.
4. The Manitoba Hydro Electric Board—The City has available to it the same proportion of the residual hydraulic capacity of the Board as its peak requirements are to the sum of the peak requirements of the City and of Manitoba Hydro. The unit rate for this power to the City and the distributing facilities of the Board is the same, and is sufficient to return to the Board the costs of the generating, transmitting and terminal facilities.

Expenditures include full municipal taxes and a reasonable share of the City's general overhead expenses. In addition, this utility has contributed $118,025,326 during the years 1938 to 1986 towards reduction of general taxation. Of the 1986 net profit amounting to $11.39 million, $6.5 million was transferred during 1986 and $4.0 million will be transferred during 1987. Depreciation is charged in accordance with the orders of the Manitoba Municipal and Public Utility Board. The Board under Order No. 212/66, effective January 1, 1966, authorized the System to change its depreciation rates and accounting procedures.

Following unification of January 1, 1972, the total area of the new City continued to be serviced by two power utilities on the same basis as that prior to unification, i.e., former Winnipeg by the City's utility at one schedule of rates and all other former municipalities by the Manitoba Hydro at another. Equalization of rates, a requirement of The City of Winnipeg Act, was effected on August 1, 1973.

Statistical Information

	1986	1985	1984
Electric Energy Generated (net)	1,105,907,880 kW.h	1,080,306,220 kW.h	1,079,429,860 kW.h
Electric Energy Purchased	1,246,787,662 kW.h	1,197,685,905 kW.h	1,113,590,063 kW.h
Average Domestic Consumption	9,015 kW.h	8,945 kW.h	8,709 kW.h
Number of Services	113,205	114,597	116,160

Financial Statements follow on Pages 70 to 74.

The City of Winnipeg
Hydro Electric System
Balance Sheet

As at December 31, 1986

Assets

	1986	1985
CURRENT ASSETS		
Cash on Hand	$ 283,311	$ 105,876
Due from General Revenue Fund	—	—
Accounts Receivable		
Province of Manitoba	348,422	105,959
Government of Canada	742	806
Other	8,178,179	7,752,348
	8,527,343	7,859,113
Less Allowance for Doubtful Accounts	189,451	82,431
	8,337,892	7,776,682
Inventories at cost	3,452,677	2,633,725
Prepaid Expenses	23,902	11,292
	12,097,782	10,527,575
FUNDS ON DEPOSIT WITH SINKING FUND TRUSTEES (Note 2 & 5(a))	28,205,930	26,003,132
FIXED ASSETS		
Property, Plant and Equipment, at cost (Note 1(A))	133,181,705	129,059,643
Work in Progress	2,359,496	2,716,228
	135,541,201	131,775,871
Less Accumulated Depreciation (Note 1(B))	67,263,701	65,558,111
	68,277,500	66,217,760
DEFERRED FOREIGN EXCHANGE (Note 5(b))	2,803,567	3,263,868
	$111,384,779	$106,012,335

Liabilities

	1986	1985
CURRENT LIABILITIES		
Due to General Revenue Fund	$ 10,375,109	$ 1,797,883
Accounts Payable and Accrued Liabilities (Note 6)	5,969,247	5,455,716
Accrued Debenture Interest	1,266,559	1,273,667
Customer Deposits and Other	810,051	821,269
	18,420,966	9,348,535
LONG TERM LIABILITIES		
Debenture Debt (Note 3)	56,001,325	57,177,325
Provision for Foreign Exchange at Maturity (Note 1(C) & 5(b))	5,223,661	5,475,222
	61,224,986	62,652,547
	79,645,952	72,001,082

Equity

	1986	1985
CONTRIBUTIONS IN AID OF CONSTRUCTION	2,973,762	2,632,457
EXCESS DEPRECIATION (Note 4)	3,150,885	3,259,585
RETAINED EARNINGS	25,614,180	28,119,211
	31,738,827	34,011,253
	$111,384,779	$106,012,335

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

The City of Winnipeg
Hydro Electric System
Statement of Revenue and Expenditure

For the Year Ended December 31, 1986

	Budget 1986	Actual 1986	Actual 1985
REVENUE			
Sale of Electricity (Note 10)	$76.220.000	$79.449.537	$74.995.562
Penalties	186.000	233.629	175.087
Commissions	1.164.500	1.162.848	1.097.752
Rentals	558.600	723.525	582.921
Interest Earned	200.000	135.254	737.442
Interest Capitalized	175.000	167.834	126.212
Interest on Sinking Fund	1.230.400	1.242.866	1.109.471
Contribution from Sinking Fund	—	—	33.582
Other	819.600	936.687	839.553
TOTAL REVENUE	$80.554.100	$84.052.180	$79.697.582
EXPENDITURE			
Operating Expenditure			
Electricity Purchased (Note 11)	$33.299.000	$36.323.000	$29.866.024
Administration	3.626.230	3.403.925	3.263.537
Generation	3.472.730	3.766.284	3.246.112
Tramway	264.160	250.909	249.572
Steam Turbine Plant	1.073.740	993.331	973.141
Transmission	659.810	674.442	520.449
Distribution	7.270.730	7.068.788	6.624.786
Commercial Services	5.233.030	5.137.690	4.800.262
Appliance Service, Stores and Garage	167.570	12.062	(21.862)
Taxes (Note 13)	1.375.000	1.364.535	1.298.113
Employee Benefits	2.808.100	2.977.054	2.573.542
Amortization of Pension Fund Deficits (Note 15)	460.000	424.104	457.656
Other	242.800	232.884	192.682
TOTAL OPERATING EXPENDITURE	59.952.900	62.629.008	54.044.014
Depreciation, Interest and Financial Expenditure			
Depreciation	2.475.000	2.566.535	2.459.819
Interest on Debentures	5.695.700	5.695.729	5.635.247
Financial Expenditure	799.800	839.312	858.678
	8.970.500	9.101.576	8.953.744
TOTAL EXPENDITURE	$68.923.400	$71.730.584	$62.997.758
PROFIT BEFORE GRANT	$11.630.700	$12.321.596	$16.699.824
GRANT TO STEAM HEATING SYSTEM	(1.042.900)	(926.627)	(927.138)
NET PROFIT FOR THE YEAR	$10.587.800	$11.394.969	$15.772.686

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

The City of Winnipeg
Hydro Electric System
Statement of Retained Earnings

For the Year Ended December 31, 1986

	1986	1985
Opening Balance	$28,119,211	$28,146,525
ADD Net Profit for the Year	11,394,969	15,772,686
	39,514,180	43,919,211
DEDUCT Contribution to General Revenue Fund (Note 14)	13,900,000	15,800,000
Closing Balance	$25,614,180	$28,119,211

Statement of Changes in Financial Position

For the Year Ended December 31, 1986

	1986	1985
FUNDS WERE DERIVED FROM		
Current Operations		
Net Profit for the Year	$11,394,969	$15,772,686
ADD Expenses not requiring Cash Outlay		
Depreciation	2,566,535	2,459,819
Amortization of Foreign Exchange	208,741	280,222
Loss on Disposal of Fixed Assets	159,887	10,038
DEDUCT Credits to Operations not involving Incoming Funds		
Amortization of Excess Depreciation	(108,700)	(108,600)
Interest on Sinking Fund	(1,242,866)	(1,109,471)
Total Funds from Current Operations	12,978,566	17,304,694
Debenture Issue	—	2,000,000
Payments from Sinking Fund Trustees		
Matured Debt	1,000,000	1,000,000
Foreign Exchange	—	313,355
Proceeds from Sale of Property and Plant	18,188	15,394
Contributions in Aid of Construction	341,305	272,884
Fixed Assets Returned to Stores	212,400	167,963
	14,550,459	21,074,290
FUNDS WERE EXPENDED FOR		
Property, Plant and Equipment	4,635,439	5,480,707
Payments to Sinking Fund Trustees		
Actuarial Requirements	1,950,599	1,924,180
Foreign Exchange	9,333	741,524
Debt Retired	1,176,000	1,166,000
Contribution to General Revenue Fund	13,900,000	15,800,000
Removal Costs of Fixed Assets Disposals	381,310	315,770
Foreign Exchange on Maturities	—	384,441
	22,052,681	25,812,622
Decrease in Working Capital	$ 7,502,222	$ 4,738,332

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

The City of Winnipeg
Hydro Electric System
Notes to the Financial Statements

December 31, 1986

1. **Significant Accounting Policies**

   A. PROPERTY, PLANT AND EQUIPMENT

   Assets are recorded at cost in accordance with generally accepted accounting principles. Profits or losses on disposal of assets are recorded in the statement of income except for overhead and underground distribution assets on which profits and losses on disposal are netted in accumulated depreciation.

   B. DEPRECIATION

   Depreciation is recorded on a straight-line basis for all assets, except land, in accordance with generally accepted accounting principles.

   C. FOREIGN EXCHANGE ON DEBENTURE DEBT

   Unrealized exchange losses relating to the translation of long term foreign currency bond issues at the exchange rates prevailing at the balance sheet date, are fully provided for in the Long Term Debt section. (See Note 5(b)).

   D. ACCRUAL BASIS OF ACCOUNTING

   Revenue for services rendered but not billed at the end of the year is not being accrued. Other items of revenue and expenditure are accounted for on an accrual basis.

2. **Funds on Deposit with Sinking Fund Trustees**

   a) Included in this asset are deposits for foreign exchange requirements of $3,308,526.

   b) Funds on deposit for actuarial and foreign exchange requirements are credited with interest calculated at various statutory rates not exceeding the maximum rate as prescribed by The City of Winnipeg Act. If the Sinking Fund Trustees' net income for the year was allocated in proportion to total funds on deposit, an additional amount of approximately $2.1 million (1985 $2.1 million) would have accrued to the credit of the utility.

3. **Debenture Debt**

   a) All sinking fund debenture issues provide for full sinking fund at maturity on the basis of actuarial capitalizations averaging approximately 4.85%, with the exception of the following:

      i) By-law 2622/80 — In 1980 The City of Winnipeg under By-law 2622/80 issued 8-year sinking fund debentures, extendible for an additional 8 years. The 5% levy provision as permitted under Section 304(1) of The City of Winnipeg Act will result in a sinking fund deficiency requiring refinancing if the debentures are redeemed at the end of 8 years. If the issue remains outstanding until 1996, a sinking fund sufficient to fully retire the issue will be available.

      ii) The following table sets out those By-laws which, as a result of the levies being provided and the terms of the issues, will result in sinking fund deficiencies requiring these issues to be refinanced at maturity.

By-law	Year of Issue	Term of Issue	Levy
3807/84	1984	7 Years	3%
4025/85	1985	5 Years	3%

   b) All debentures are general obligations of the City. Debenture debt is allocated to the General Capital Fund and Utilities in the amounts shown in the issuing by-law.

   c) At maturity the debenture debt is payable in the following currencies:

In Canadian Dollars	$40,401,325
In United States Dollars	15,600,000
	$56,001,325

   Debenture debt issued in United States dollars is recorded at par with the Canadian dollar.

4. **Excess Depreciation**

   Commencing in 1966, this account is being amortized over a 50-year period through an annual credit to operations in accordance with the requirements of the Manitoba Public Utilities Board Order 114/68 in the amount of $108,650.

5. **Provision for Foreign Exchange at Maturity**

   a) Sufficient funds are on deposit with the Sinking Fund Trustees for sinking fund debenture issues payable in foreign currencies to maintain the actuarial requirements in Canadian dollars at the equivalent of the foreign currencies at the exchange rates prevailing at the balance sheet date.

   b) Debenture debt payable in foreign currencies amounted to $15,600,000 as at December 31, 1986. The foreign exchange on this liability at the exchange rates prevailing at balance sheet date totalled $5,928,000. To date $2,420,094 has been accumulated towards this contingency at maturity through the retention of exchange premiums realized on foreign currency bond issues, contributions from sinking fund surpluses and charges to current operations. The City has adopted a policy of including foreign exchange on Sinking Fund holdings of U.S. securities to reduce the amount to be amortized. The exchange attributed to these investments totalled $704,339. The foreign exchange deficiency of $2,803,567 (an amount which will be recalculated annually as the requirement for such purpose may from year to year vary) had been set up as a deferred charge to be amortized over the remaining life of the related bond issues by annual charges to operations.

6. **Accounts Payable**

Commitments totalling $419,196(1985 - $60,247) were recorded in the accounts for goods and services which had not been received by the year end.

7. **Contingent Liability**

a) Under the sick pay credit plan of the Hydro Electric System, unused sick leave credits accumulate and employees with specified minimum service requirements become entitled to a cash payment upon retirement, death or termination of service under certain conditions (not resignation). The estimated liability for such accumulated credits has not been determined.

b) The Hydro Electric System with the City are defendants in lawsuits as at December 31, 1986. At this time the liability is not determinable.

8. **Homeowners Insulation Program**

The City of Winnipeg (through the Hydro Electric System) acts as an agent for the Crown in lending monies to owners of eligible residential property to assist them in paying the cost of insulating or improving the insulation of residential property, and in collecting amounts due in payment of the principal and interest of any loan made under the Province's Homeowners Tax and Insulation Act. As at December 31, 1986, outstanding loans, including interest, amounted to $7,134,808.

9. **Public Utility Board Control**

The Hydro Electric System has not been subject to control over consumer rates by the Manitoba Public Utilities Board since 1970. Consumer rates are required to be equal to those charged by Manitoba Hydro within the City of Winnipeg. Manitoba Hydro rates are subject to approval by the Provincial Government.

10. **Consumer Rates**

A consumer rate increase went into effect on April 1, 1986. A further rate increase went into effect April 1, 1987.

11. **Electricity Purchased**

Under an agreement with Manitoba Hydro, the Hydro Electric System agrees to purchase the power required in excess of the System's generating capacity. The agreement expired November 30, 1984. On October 15, 1986 City Council approved the terms and conditions for a new agreement which will be in affect until March 31, 1990 and is retroactive to December 1, 1984.

12. **Administration and General**

This expenditure includes the estimated share of the City's general overhead expenditure applicable to the Hydro Electric System.

13. **Taxes**

This expenditure includes full taxes paid to outside municipalities and to The City of Winnipeg General Revenue Fund. Taxes are assessed on property as if it were privately owned. The only exception to this is taxes on personal property (distribution lines on city streets) which are assessed in an amount fixed by The City of Winnipeg Act. This statutory assessed value is $1,200,000.

14. **Contribution to the City's General Budget**

The Hydro Electric System contributed $13,900,000 in 1986 and is committed to transfer $4,000,000 of the 1986 surplus to the City's 1987 General Revenue Fund.

15. **Amortization of Pension Fund Deficit**

City Council has adopted a policy of amortizing unfunded pension fund liabilities in accordance with the Pension Benefit Act of the Province. The latest actuarial valuations are as at December 31, 1985. Amortization payments in 1986 were based on the new valuations in anticipation of approval by City Council. The Hydro Electric System portion is as follows:

Pension Fund	Unfunded Liability As At December 31, 1986		Annual Payment	Term
Employee Benefits	$3,242,000	(Pension Improvements)	$409,918	to 2000
Employee Benefits	45,600		14,186	to 1990
	$3,287,600		$424,104	

Steam Heating System

Historical Data

The Steam Heating System commenced operation in 1924 concurrently with the Steam Turbine Plant installation of the Hydro Electric System. The two plants occupy sections of the same building on Amy Street. Steam for heating purposes is generated at a pressure of 240 lbs. per square inch in four pulverized coal boilers which utilize bituminous coal, and two travelling-grate stoker fired boilers which utilize either bituminous or lignite coal. The maximum short time output capacity of all six boilers is 600,000 lbs. of steam per hour. These boilers supply the steam requirements of the Steam Heating System and the 11,000 kilowatts of original steam turbine capacity in the standby plant.

A heat exchanger of 130,000 lbs. per hour capacity, installed in 1964, allows the Steam Heating System to make use of the more economical high pressure, high temperature boilers installed in 1951 to supply the 40,000 kilowatt extension to the standby plant.

When off-peak electrical energy is available from the hydro plants of Winnipeg Hydro or Manitoba Hydro, and when steam can be used in the Steam Heating System, three electric boilers with a combined output of 81,000 lbs. of steam per hour are also available. In 1986 these electric boilers produced 30.0% of the total steam requirements.

Two 14 inch diameter mains connect the steam plant with the mains network which supplies steam for heating purposes in the central commercial area of the City at a pressure of 50 to 70 lbs. per square inch.

The capital cost of the Steam Plant and the Steam Distribution System as at December 31, 1986 is $3,608,235. 195 customers are served.

The Steam Heating System also pays a due share of general overhead expenses and municipal taxes. It is noteworthy that since the commencement of operations in 1924, the System has used off-peak power from the Hydro Electric System to the value of over 5.2 million the total for 1986 being $320,513.

Statistical Information

	1986	1985	1984
Steam Sales to Customers	338,386,000 lbs	396,448,000 lbs	369,619,000 lbs
Mean Temperature, Heating Season	27.8°F	25.5°F	28.2°F
	-2.3°C	-3.6°C	-2.1°C

Financial Statements follow on Pages 76 to 79.

The City of Winnipeg
Steam Heating System
Balance Sheet

As at December 31, 1986

Assets

	1986	1985
CURRENT ASSETS		
Cash on Hand	$ 100	$ 100
Accounts Receivable	762,090	873,646
Less Allowance for Doubtful Accounts	20,355	16,153
	741,735	857,493
Inventories at cost	211,566	235,439
Prepaid Expenses	41	46
	953,442	1,093,078
FIXED ASSETS		
Property, Plant and Equipment at cost	3,608,235	3,608,120
Work in Progress	18,143	17,636
	3,626,378	3,625,756
Less Accumulated Depreciation (Note 1(A))	3,398,180	3,383,699
	228,198	242,057
	$1,181,640	$1,335,135

Liabilities

	1986	1985
CURRENT LIABILITIES		
Due to General Revenue Fund	$ 490,778	$ 530,082
Accounts Payable and Accrued Liabilities (Note 4)	577,114	675,366
Accrued Debenture Interest	532	776
Customer Deposits	34,420	33,115
	1,102,844	1,239,339
LONG TERM LIABILITIES		
Debenture Debt (Note 2)	37,000	54,000
	1,139,844	1,293,339

Equity

	1986	1985
RETAINED EARNINGS	41,796	41,796
	$1,181,640	$1,335,135

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

The City of Winnipeg
Steam Heating System
Statement of Revenue and Expenditure

For the Year Ended December 31, 1986

	Budget 1986	Actual 1986	Actual 1985
REVENUE			
Steam Sales—Commercial (Note 6)	$3,550,000	$3,256,092	$3,643,461
Hydro Standby Service (Note 1(B))	60,000	60,000	60,000
Equipment Rentals	5,500	5,679	5,458
Miscellaneous Earnings	8,600	8,302	5,955
Provincial Support Grant	23,000	22,900	18,729
TOTAL REVENUE	$3,647,100	$3,352,973	$3,733,603
EXPENDITURE			
Operating Expenditure			
Production	$3,521,480	$3,159,875	$3,417,170
Distribution	512,520	526,354	447,374
Commercial	19,450	18,930	17,963
Administration and General (Note 7)	102,350	94,177	99,081
Taxes (Note 8)	196,000	190,309	195,774
Employee Benefits	233,300	193,323	373,920
Amortization of Pension Fund Deficits (Note 9)	34,000	31,032	34,102
TOTAL OPERATING EXPENDITURE	4,619,100	4,214,000	4,585,384
Depreciation, Interest and Financial Expenditure			
Depreciation	17,000	17,000	16,000
Interest on Debentures	2,900	2,861	3,795
Financial Expenditure	51,000	45,739	55,562
TOTAL EXPENDITURE	$4,690,000	$4,279,600	$4,660,741
LOSS BEFORE GRANT	$1,042,900	$ 926,627	$ 927,138
GRANT FROM HYDRO ELECTRIC SYSTEM	1,042,900	926,627	927,138
NET PROFIT (LOSS) FOR THE YEAR	$ —	$ —	$ —

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

The City of Winnipeg
Steam Heating System
Statement of Retained Earnings

For the Year Ended December 31, 1986

	1986	1985
Opening Balance	$ 41,796	$ 41,796
Closing Balance	$ 41,796	$ 41,796

Statement of Changes in Financial Position

For the Year Ended December 31, 1986

	1986	1985
FUNDS WERE DERIVED FROM		
Current Operations		
Net Loss for the Year	$926,627	$927,138
Grant from Winnipeg Hydro	926,627	927,138
	—	—
Expenses not requiring Cash Outlay		
Depreciation	17,000	16,000
Total Funds from Current Operations	17,000	16,000
FUNDS WERE EXPENDED FOR		
Property, Plant and Equipment	3,142	22,866
Debt Retired	17,000	16,000
	20,142	38,866
Decrease in Working Capital	$ 3,142	$ 22,866

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

The City of Winnipeg
Steam Heating System
Notes to the Financial Statements
December 31, 1986

1. **Significant Accounting Policies**

   A. DEPRECIATION

   Depreciation is charged on the basis of serial debt amortization. The effect of this policy is as follows:

   a) All Capital assets including the cost of land, are subject to depreciation after they are funded.

   b) Assets are not depreciated until they are funded which may materially affect the depreciation expenditure and the resulting profit or loss, if funding is delayed more than one year.

   c) Capital assets in the amount of $191,199 remain unfunded and are not being depreciated at the year end.

   d) The adequacy or inadequacy of the depreciation being provided cannot be determined because the useful life of the System is currently being studied. (See Note 3)

   B. HYDRO STANDBY SERVICE

   The revenue item recorded at $60,000 is the reimbursement to the Steam Heating System for the cost of maintenance of equipment used jointly by the steam heating plant and the steam turbine plant of the Hydro Electric System.

   C. ACCRUAL BASIS OF ACCOUNTING

   Revenue for services rendered but not billed at the end of the year is not being accrued. Other items of revenues and expenditures are accounted for on the accrual basis.

2. **Debenture Debt**

   All debentures are general obligations of the City. Debenture debt is allocated to the General Capital Fund and Utilities in the amounts shown in the issuing by-law.

3. **Estimated Useful Life of the Steam Heating System**

   A study on replacing the existing facility with an Energy from Waste Plant was presented to Works and Operations Committee on March 5, 1985. The Province of Manitoba has been approached to explore mutual interests in building this new facility. No decision has been made to date. The environmental license has been extended until September 1, 1990.

4. **Accounts Payable**

   Commitments totalling $26,643 (1985 - $10,027) were recorded in the accounts for goods and services which had not been received by the year end.

5. **Contingent Liability**

   Under the sick pay credit plan of the Steam Heating System, unused sick leave credits accumulate and employees with specified minimum service requirements become entitled to a cash payment upon retirement, death or termination of service under certain conditions (not resignation). The estimated liability for such accumulated credits has not been determined.

6. **Consumer Rates**

   Consumer rates were increased 20% March 1, 1987 as authorized by Council.

7. **Administration and General**

   This expenditure includes the estimated share of the City's general overhead expenditure applicable to the Steam Heating System.

8. **Taxes**

   Taxes are calculated on the Steam Heating System assets as if they were privately owned. In addition to this, a tax of 3% of gross sales is charged to the Utility for the use of City streets for steam mains.

9. **Amortization of Pension Fund Deficit**

   City Council has adopted a policy of amortizing unfunded pension fund liabilities in accordance with the Pension Benefit Act of the Province. The latest actuarial valuations are as at December 31, 1985. Amortization payments in 1986 were based on the new valuations in anticipation of approval by City Council. The Steam Heating System portion is as follows:

Pension Fund	Unfunded Liability As At December 31, 1986		Annual Payment	Term
Employee Benefits	$237,200	(Pension Improvements)	$29,994	to 2000
Employee Benefits	3,900		1,038	to 1990
	$241,100		$31,032	

Transit System

Historical Data

The first step toward public transportation in Winnipeg was taken on May 27, 1882 with the incorporation of the Winnipeg Street Railway Company. With a franchise from the City of Winnipeg, the first regular service started on October 21, 1882, using horse cars during the summer and sleighs during the winter.

On January 28, 1891 with the consent of City Council, the Winnipeg Street Railway Company operated the first electric street car on River Avenue, the line being extended to River Park in July.

After a franchise battle, the City Council on February 1, 1892 passed By-law No. 543 giving a new company, Winnipeg Electric Street Railway Company, an exclusive franchise to operate electric street cars in Winnipeg. For two years there were two sets of tracks on Main Street, both horse and electric cars competing. Fares dropped to a low of 2 cents. Shortly after, the Electric Company bought out the Winnipeg Street Railway and basic fares became 5 cents.

For the next 14 years service was extended farther and farther, reaching Selkirk, Stonewall, Headingly and St. Norbert.

In 1904 the Winnipeg Electric Street Railway Company and the Winnipeg General Power Company merged and became Winnipeg Electric Railway Company. In 1906 the Company first operated the Pinawa Plant on the Winnipeg River - the first hydro-electric power plant in Manitoba.

Sunday service was initiated in 1906.

From 1914 to 1918 street cars had competition from "Jitneys" — autos which charged 5 cents per person and operated mostly in the rush hours on heavy traffic routes - until the City passed a by-law setting a 25 cent minimum fare per person.

The first motor buses were operated on Westminster Avenue in 1918.

One-man cars were first used in regular service in 1923, and replaced two-man cars on many routes.

Trolley buses were first operated in 1938.

The peak ridership was reached in 1946 when 105,000,000 passengers rode the street cars and buses.

On October 28, 1952 the Manitoba Hydro-Electric Board, as agent for the Province of Manitoba, offered to purchase the outstanding shares of the Company (now Winnipeg Electric Company).

On January 16, 1953 the Greater Winnipeg Transit Company was incorporated and took over the transit assets and liabilities.

On April 18th, 1953 at the request of the City of Winnipeg and other area municipalities, the Greater Winnipeg Transit Commission was incorporated and authorized to purchase the shares and debentures of the Transit Company.

On May 29, 1953 the Commission purchased the shares and debentures of the Transit Company and, on November 1, 1953, the assets and liabilities of the Transit Company were vested in The Greater Winnipeg Transit Commission.

On September 19, 1955 the street cars made their last run, giving way to the modern diesel, gas and trolley buses.

With the passage of The Metropolitan Winnipeg Act in 1960, effective January 1, 1961, the Metropolitan Corporation of Greater Winnipeg was given the exclusive right to operate a local passenger transportation service within Metropolitan Winnipeg.

On October 30, 1970 the trolley buses were discontinued thus making the Public Transportation fleet a total diesel operation.

On January 1, 1972 under the provisions of Section 662(1) of The City of Winnipeg Act, the Metropolitan Corporation of Greater Winnipeg, which had been responsible for providing public transportation in the Metropolitan area, from January 1, 1961, to December 31, 1971, was dissolved and all the duties, rights, and liabilities of the Transit System became the responsibility of the new City of Winnipeg.

Statistical Information

	1986	1985	1984
Basic Adult Fare	.85 Exact Fare	.80 Exact Fare	.75 Exact Fare
Revenue Passengers Carried	61,365,888	58,787,973	59,357,203
Bus Hours Operated	1,374,680	1,390,404	1,399,958
Bus KM Operated	25,802,634	26,012,201	26,014,414
Revenue Vehicles Operated	548	548	548

Financial Statements follow on Pages 81 to 84.

The City of Winnipeg
Transit System
Balance Sheet

As at December 31, 1986

Assets

	1986	1985
CURRENT ASSETS		
Cash on Hand	$ 239,316	$ 215,042
Accounts Receivable		
Province of Manitoba	400,000	596,281
Government of Canada	56,937	—
Other	182,101	99,043
	639,038	695,324
Inventories of Maintenance Parts, at cost or realizable value	2,026,478	1,974,406
	2,904,832	2,884,772
FUNDS ON DEPOSIT WITH SINKING FUND TRUSTEES (Note 2 & 4(a))	8,998,690	8,674,222
FIXED ASSETS		
Property, Plant and Equipment, at cost (Note 1(A))	37,513,897	16,545,415
Work in Progress	3,993,421	18,837,462
	41,507,318	35,382,877
Less Accumulated Depreciation (Note 1(B))	14,330,220	13,638,220
Contributions in Aid of Construction	9,346,511	5,349,511
	17,830,587	16,395,146
DEFERRED FOREIGN EXCHANGE (Note 4(b))	706,378	1,120,367
	$ 30,440,487	$ 29,074,507

Liabilities

	1986	1985
CURRENT LIABILITIES		
Due to General Revenue Fund	$ 7,694,472	$ 11,125,406
Accounts Payable and Accrued Liabilities (Note 5)	1,375,826	2,379,568
Accrued Debenture Interest	348,977	297,654
Deferred Revenue	77,350	53,190
	9,496,625	13,855,818
LONG TERM LIABILITIES		
Debenture Debt (Note 3)	18,728,462	12,100,000
Provision for Foreign Exchange at Maturity (Note 1(C) & 4(b))	2,215,400	3,118,689
	20,943,862	15,218,689
	$ 30,440,487	$ 29,074,507

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

The City of Winnipeg
Transit System
Statement of Revenue and Expenditure

For the Year Ended December 31, 1986

	Budget 1986	Actual 1986	Actual 1985
REVENUE			
Passenger	$31,151,020	$30,464,707	$29,471,330
Charter	203,000	161,474	158,944
Non-Transportation	917,253	958,867	1,058,188
Interest Capitalized	414,115	176,636	409,813
Interest on Sinking Fund	369,309	377,436	326,014
Provincial Government Grants (Note 8)	17,077,956	17,011,033	16,127,636
Appropriation from General Levy	16,507,957	16,806,523	15,569,956
TOTAL REVENUE	$66,640,610	$65,956,676	$63,121,881
EXPENDITURE			
Administration and General	$ 3,154,909	$ 3,403,597	$ 2,859,666
Schedules	309,759	313,453	303,745
Maintenance of Equipment	19,204,107	18,223,601	17,775,093
Transportation	29,138,013	28,305,245	27,243,180
Publicity and Information	698,558	692,358	669,035
Taxes	850,000	874,876	819,146
Employee Benefits	6,872,250	7,287,293	6,859,702
Amortization of Pension Fund Deficit (Note 9)	1,355,870	1,401,612	1,379,375
Claims	89,300	28,076	37,784
General Government Charges	1,645,168	1,650,244	1,548,000
	63,317,934	62,180,355	59,494,726
Depreciation, Interest and Financial Expenditure			
Depreciation	691,309	692,000	637,871
Interest on Debentures	1,294,417	1,719,843	1,200,904
Financial Expenditure	692,950	719,094	638,834
	2,678,676	3,130,937	2,477,609
Purchase and Refurbishment of Rolling Stock	644,000	645,384	1,149,546
TOTAL EXPENDITURE	$66,640,610	$65,956,676	$63,121,881

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

The City of Winnipeg
Transit System
Statement of Changes in Financial Position

For the Year Ended December 31, 1986

	1986	1985
FUNDS WERE DERIVED FROM		
Current Operations		
ADD Expenses not requiring Cash Outlay		
Appropriation for Purchase and Refurbishment of Rolling Stock	$ 645,384	$1,149,546
Depreciation	692,000	637,871
Amortization of Foreign Exchange	277,189	330,970
Loss (Gain) on Disposal of Fixed Assets	(6,171)	(5,423)
DEDUCT Credits to Operations not Involving Incoming Funds		
Interest on Sinking Fund	(377,436)	(326,014)
Total Funds from Current Operations	1,230,966	1,786,950
Sinking Fund Trustees for Matured Debt	435,628	—
Contribution from Federal Government	—	177,342
Contribution from Provincial Government	3,997,000	3,329,190
Debenture Issue	8,628,462	1,000,000
Proceeds from Sale of Property and Plant	6,171	18,722
	14,298,227	6,312,204
FUNDS WERE EXPENDED FOR		
Acquisition and Refurbishment of Rolling Stock	645,384	1,149,546
Property, Plant and Equipment	6,124,441	14,274,643
Payments to Sinking Fund Trustees		
Actuarial Requirements	420,222	390,222
Foreign Exchange	(37,562)	485,030
Debt Retired	2,000,000	—
Foreign Exchange on Maturities	766,489	—
	9,918,974	16,299,441
Increase (Decrease) in Working Capital	$4,379,253	($9,987,237)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

Notes to the Financial Statements

December 31, 1986

1. **Significant Accounting Policies**

A. PROPERTY, PLANT AND EQUIPMENT

Purchase of buses for the years 1975 to 1983 were made out of current funds and were not recorded as capital assets.

B. DEPRECIATION

Depreciation is recorded in an amount equal to the total of serial debt repayments, Sinking Fund levies and Sinking Fund interest. The effect of this policy is as follows:

a) All capital assets, including the cost of land, are subject to depreciation after they are funded.

b) Assets are not depreciated until they have been funded, which may materially affect depreciation expense and the resulting deficit if funding is unduly delayed.

C. FOREIGN EXCHANGE ON DEBENTURE DEBT

Unrealized exchange losses relating to the translation of long term foreign currency bond issues at the exchange rate prevailing at the balance sheet date are fully provided for in the Long Term Debt section. (See Note 4(b))

D. ACCRUAL BASIS OF ACCOUNTING

Revenues and expenditures are accounted for on the accrual basis.

2. **Funds on Deposit with Sinking Fund Trustees**
Included in this asset are deposits for foreign exchange requirements of $2,094,470.

3. **Debenture Debt**

a) All sinking fund debenture issues provide for full sinking fund at maturity on the basis of actuarial capitalizations averaging approximately 4.85%, with the exception of the following:

i)By-law 2622/80 - In 1980 The City of Winnipeg under By-law 2622/80 issued 8-year sinking fund debentures, extendible for an additional 8 years. The 5% levy provision as permitted under Section 304(2) of The City of Winnipeg Act will result in a sinking fund deficiency requiring refinancing if the debentures are redeemed at the end of 8 years. If the issue remains outstanding until 1996, a sinking fund sufficient to fully retire the issue will be available.

ii)The following table sets out those By-Laws which, as a result of the levies being provided and the terms of the issues, will result in sinking fund deficiencies requiring these issues to be refinanced at maturity.

By-Law	Year of Issue	Term of Issue	Levy
4025/85	1985	5 years	3%
4246/86	1986	5 years	3%
4347/86	1986	10 years	3%

b) All debentures are general obligations of the City. Debenture debt is allocated to the General Capital Fund and Utilities in the amounts shown in the issuing by-law.

c) At maturity the debenture debt is payable in the following currencies:

In Canadian Dollars	$12,228,462
In United States Dollars	6,500,000
	$18,728,462

Debenture debt issued in United States dollars is recorded at par with the Canadian dollar.

4. **Provision for Foreign Exchange at Maturity**

a) Sufficient funds are on deposit with the Sinking Fund Trustees for sinking fund debenture issues payable in foreign currencies to maintain the actuarial requirements in Canadian dollars at the equivalent of the foreign currencies at the exchange rates prevailing at the balance sheet date.

b) Debenture debt payable in foreign currencies amounted to $6,500,000 as at December 31, 1986. The foreign exchange on this liability at the exchange rate prevailing at balance sheet date totalled $2,470,000. To date $1,509,022 has been accumulated towards this contingency at maturity through the retention of exchange premiums realized on foreign currency bond issues, contributions from sinking fund surpluses and charges to current operations. The City has adopted a policy of including foreign exchange on Sinking Fund holdings of U.S. securities to reduce the amount to be amortized. The exchange attributed to these investments totalled $254,600. The foreign exchange deficiency of $706,378 (an amount which will be recalculated annually as the requirement for such purpose may from year to year vary) has been set up as a deferred charge to be amortized over the remaining life of the related bond issues by annual charges to operations.

5. **Accounts Payable**
Commitments totalling $185,663 (1985 - $931,922) were recorded in the accounts for goods and services which had not been received by year end.

6. **Contingent Liability**
Under the sick pay credit plan for certain employees of the Transit System, unused sick leave credits accumulate and employees with specified minimum service requirements become entitled to a cash payment upon retirement, death or termination of service under certain conditions (not resignation). The estimated liability for such accumulated credits has not been determined.

7. **Fare Increase**
Basic fares were increased effective March 1, 1986 and March 1, 1987 as authorized by Council.

8. **Government Grant**
The Provincial Government provided grants of $16,119,833 toward the 1986 Transit System deficit, $322,000 under the Urban Transit Capital Grants Program and $569,200 as a Local Government General Support Grant.

9. **Amortization of Pension Fund Deficit**
City Council has adopted a policy of amortizing unfunded pension fund liabilities in accordance with the Pension Benefit Act of the Province. The latest actuarial valuations are as at December 31, 1985. Amortiziation payments in 1986 were based on the new valuations in anticipation of approval by City Council. The Transit portion is as follows:

Pension Fund	Unfunded Liability As At December 31, 1986		Annual Payment	Term
Employee Benefits	$10,714,300	(Pension Improvements)	$1,354,729	to 2000
Employee Benefits	150,600		46,883	to 1990
	$10,864,900		$1,401,612	

Water Works System

Historical Data

The water supply system for the City of Winnipeg dates back to 1882. when the plant of the Winnipeg Waterworks Company was put into operation the supply being obtained from the Assiniboine River just east of the Maryland Bridge In 1899 the City purchased the plant from the company for $237.650 The distribution system consisted at the time of about 36 kilometers of cast iron mains After the purchase of the plant the City proceeded with changing the source of supply from the Assiniboine River to artesian wells chiefly located northwest of the City

With the growth in population, however, it became evident that a more secure source of supply was necessary This subject occupied the attention of the City Council almost continuously from 1906 to 1913, when it was ultimately decided to obtain a supply from Shoal Lake located 155 kilometers east of the municipalities The construction of the aqueduct commenced in 1913, and on March 29, 1919 Shoal Lake water reached the City The $17 5 million cost was funded by debentures issued by the Greater Winnipeg Water District From 1919 to 1961 the Greater Winnipeg Water District delivered water in bulk to the City of Winnipeg's reservoirs The adjacent municipalities which operated their own distribution facilities were supplied with water by the City Capital costs of the District were met by a mill rate levy on land only within the District, while the operating costs were met by a water consumption charge The City also charged on the volume of water pumped

The McPhillips Street reservoir system was constructed in 1913 and consisted of a covered reservoir with a capacity of 82 million litres This facility was subsequently expanded in 1932 with construction of a 182 million litre capacity open reservoir

To meet the increasing demand for water a booster pumping station was built on Tache Avenue in 1950 This facility increased delivery to the McPhillips Reservoir from the Branch I aqueduct from 91 million litres per day by gravity to 173 million litres per day by pumping In 1950 a study of the system was also undertaken which indicated that, by 1960, the City would require additional pumping and storage capacity and a considerable extension of the feedermains in the distribution system As a result of this study, the City adopted a ten-year development program which was completed in 1960 The program included 26 kilometers of feedermains at a cost of $2 700 000, the new reservoir at Wilkes Avenue and Waverley Street costing $1 600 000 and the new W D Hurst fully automatic pumping station costing $1 700 000 The Wilkes Avenue reservoir was an open reservoir consisting of 2 cells One cell has since been split into two and roofed The combined capacity of the three reservoirs is 318 million litres Space is available on site for future expansion to 728 million litres capacity The W D Hurst pumping station has an installed pumping capacity of 364 million litres per day and designed expansion to 455 million litres per day

The City of Winnipeg received delivery of water from the aqueduct at the James Avenue Pumping Station and at its reservoirs located at McPhillips Street and Logan Avenue, and at Wilkes Avenue and Waverley Street Water was pumped by pumping stations at these reservoirs to the City proper and to some adjoining urban municipalities The pumping stations operate at a discharge pressure 517 KPa

The City of St Boniface had its own water pumping station and well collection system and was also connected directly to the aqueduct via the St Boniface Pumping Station Transcona also had a direct connection to the aqueduct at Plessis Road from which water was drawn for Transcona and the C N R Shops St Vital had purchased their water supply from St Boniface until 1954 when a pumping station and feedermain was built to convey water to the St Vital area

The functions of the Greater Winnipeg Water District were assumed by the Metropolitan Corporation of Greater Winnipeg on January 1 1961 and on January 1, 1962 the Corporation assumed the responsibility of providing water to the area municipalities The James Avenue Pumping station remained under the ownership of the City of Winnipeg as its main function was to provide water at high pressure for fire protection in the central high property value district In 1960 an analysis of the distribution system indicated the necessity of expanding the feedermain system and providing additional pumping and storage capacity A ten-year program was adopted by the Council of the Metropolitan Corporation During this program an additional 73 kilometers of feedermains were constructed at a cost of $8 5 million and a new reservoir and fully automatic pumping station was constructed at Marion Street and Lagimodiere Boulevard at a cost of $4,500,000 This new MacLean Pumping Station has an installed pumping capacity of 320 million litres per day The covered reservoir has a total capacity of 205 million litres The completion of the Geo C MacLean Pumping Station and Reservoir in 1964 rendered the St Boniface and St Vital Pumping Stations obsolete

In 1968 the old McPhillips Street pumping station was replaced with a new automatic station with an installed pumping capacity of 365 million litres per day The cost of this new station was $2 4 million dollars A new McPhillips Street Reservoir was completed in 1976 at a cost of $11 000 000 This major project was started in 1974 and was placed in service on November 23 1976 The roofs of the new reservoirs are covered with a 600 mm layer of earthfill grassed and landscaped, providing some 7 hectares for recreational activities

In 1971 the first 1 800 million litre capacity cell of a planned 4 cell reservoir with ultimate capacity of 7,000 million litres was constructed at Deacon on the eastern edge of the City The reservoir is filled during the winter and discharged in the summer and is designed to defer the construction of a second aqueduct The second cell of the deacon complex with a capacity of 2 200 million litres was completed in June of 1978 Construction of the Deacon Booster Pumping Station followed and it was placed in service in the summer of 1980 This station will pump water from the Deacon Reservoir to the Wilkes and MacLean distribution reservoirs, and will ensure a sufficient water supply at these stations to meet peak daily demands Reconstruction of the north cell of the Wilkes Reservoir was started in May 1980 and was completed and placed in service on December 20 1980 This replaces the former open cell with a closed one that has a capacity of 140 million litres The final 6 4 kilometres of the Fort Garry Feedermain was completed in 1982 at a cost of $3 000 000 The feedermain provides increased water pressure and fire protection to southern Winnipeg

On October 10 1986 the James Avenue High Pressure Pumping Station was retired, and the former high pressure watermain system was integrated with the domestic system through previously constructed interconnections The integration of the two distribution systems involved joining the systems with common pipes, such that the combined system, with some upgrading of fire pumper trucks, could provide the same level of fire protection as the high pressure system had previously provided to the central high property value district The budgeted cost for the station retirement and system integration is $755,000

The utility bears a share of general overhead expenses of the City as well as municipal taxes

Statistical Information

	1986	1985
Annual Water Pumped (Million Litres)	98 255 8	97 415 0
Water Pumped in Litres Per Capita Per Day	452 8	458 0
Average Daily Water Pumped (million litres per day)	269 2	266 9
Maximum Water Pumping Rate (million litres per day)	618 0	516 0
Kilometers of Aqueduct	158 0	158 0
Kilometers of Feedermains	106 2	106 2
Kilometers of Watermains	2 206 10	2 186 14
Number of Hydrants	15,590 0	15 409 0
Number of Billed Services	163 484 0	160 308 0
Block 1 Rate (Per 100 cu ft)	$1 30	$1 30

Financial Statements follow on Pages 86 to 89

The City of Winnipeg
Water Works System
Balance Sheet
As at December 31, 1986

Assets

	1986	1985
CURRENT ASSETS		
Cash on Hand	$ 54,458	$ 20,658
Due from General Revenue Fund	9,250,036	11,020,414
Accounts Receivable		
Province of Manitoba	1,568	165
Sinking Fund Trustees	11,478	11,478
Other	3,625,214	2,828,966
	3,638,260	2,840,609
Less Allowance for Doubtful Accounts	119,365	132,497
	3,518,895	2,708,112
Inventories at cost	242,555	269,569
	13,065,944	14,018,753
FUNDS ON DEPOSIT WITH SINKING FUND TRUSTEES (Note 2 & 4 (a))	27,289,118	25,463,641
FIXED ASSETS		
Property, Plant and Equipment (Note 1(A))	150,855,714	140,198,443
Work in Progress (Note 1(A))	6,676,215	8,256,591
	157,531,929	148,455,034
LESS Accumulated Depreciation (Note 1(B))	76,689,840	73,073,818
Contributions in Aid of Construction	46,412,981	37,993,115
	34,429,108	37,388,101
DEFERRED FOREIGN EXCHANGE (Note 4(b))	2,595,198	3,766,935
	$77,379,368	$80,637,430

Liabilities

CURRENT LIABILITIES		
Accounts Payable (Note 5)	$ 599,450	$ 1,258,661
Accrued Liabilities	509,897	497,003
Accrued Debenture Interest	1,593,995	1,949,910
	2,703,342	3,705,574
LONG TERM LIABILITIES		
Debenture Debt (Note 3)	55,495,661	56,882,709
Provision for Foreign Exchange at Maturity (Note 1 (C) & 4(b))	4,953,099	8,975,480
	60,448,760	65,858,189
Due to General Reserve Fund	2,057,010	1,999,616
	62,505,770	67,857,805
	65,209,112	71,563,379

Equity

RETAINED EARNINGS	12,170,256	9,074,051
	$77,379,368	$80,637,430

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

The City of Winnipeg
Water Works System
Statement of Revenue and Expenditure

For the Year Ended December 31, 1986

	Budget 1986	Actual 1986	Actual 1985
REVENUE			
Water Sales	$31,135,811	$32,403,957	$31,780,939
Frontage Taxes	—	8,235,065	8,122,497
Provincial Support Grant	205,380	205,000	195,298
Permits	30,300	46,850	37,200
Fire Hydrant Rentals	1,635,700	1,636,690	1,578,953
Other Rentals	20,000	27,914	25,486
Railway Services	1,325,000	1,977,312	1,625,661
Interest Earned (Note 10)	715,500	1,057,061	890,320
Interest Capitalized	15,000	3,404	11,456
Interest on Sinking Fund (Note 10)	1,207,816	1,145,793	1,052,495
Contributions from Sinking Fund	289,280	451,780	468,571
Miscellaneous	15,000	42,639	31,164
TOTAL REVENUE	$36,594,787	$47,233,465	$45,820,040
EXPENDITURE			
Water Supply			
General Administration	$ 479,051	$ 501,059	$ 462,595
Water Supply Administration	157,618	198,954	83,290
Customers Accounts	1,350,744	1,292,968	1,292,667
Electrical Maintenance/Instrumentation	343,980	344,657	300,513
Mechanical Maintenance	540,227	536,042	479,520
Civil Maintenance	231,529	215,287	179,776
Backflow Prevention	87,888	86,772	83,486
Intake Operation	162,714	159,455	309,989
Staff House	75,250	59,552	59,896
Pumping Stations	1,521,901	1,520,633	1,272,229
Railway Maintenance and Operation	1,204,376	1,190,101	1,040,354
Design and Engineering	753,257	739,386	649,961
Laboratory Services	379,227	368,798	340,917
	7,287,762	7,213,664	6,555,193
Water Distribution			
Administration	1,161,771	1,252,108	1,105,010
Water Meter Maintenance	835,598	802,635	767,219
Service Pipe Maintenance	2,557,344	2,452,323	2,672,224
Valve Maintenance	1,361,862	1,385,272	1,349,205
Hydrant Maintenance	1,371,656	1,355,103	1,304,764
Watermain Maintenance	5,443,396	4,338,620	4,466,324
Training	—	183,609	84,491
Emergency Services	754,956	794,109	668,533
	13,486,583	12,563,779	12,417,770
Debt and Finance			
Interest on Debentures	6,401,529	5,750,684	6,157,307
Depreciation	3,627,323	3,663,575	3,768,155
Foreign Exchange	1,821,000	1,882,875	2,060,386
Financial Expenses	331,700	212,829	37,742
	12,181,552	11,509,963	12,023,590
Other			
Realty and Business Taxes (Note 8)	1,579,404	1,668,053	1,580,727
Payroll Taxes General Government Charges, Insurance, etc.	784,032	822,368	740,970
Employee Benefits	1,968,133	1,839,908	1,726,784
Amortization of Pension Fund Deficit (Note 9)	311,749	284,460	361,008
	4,643,318	4,614,789	4,409,489
Transfer to Watermain Renewal Reserve Fund	—	8,235,065	8,122,497
TOTAL EXPENDITURE	$37,599,215	$44,137,260	$43,528,539
NET PROFIT (LOSS) FOR THE YEAR	$(1,004,428)	$ 3,096,205	$ 2,291,501

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

The City of Winnipeg
Water Works System
Statement of Retained Earnings

For the Year Ended December 31, 1986

	1986	1985
Opening Balance	$ 9.074.051	$ 6.782.550
ADD Net Profit for the Year	3.096.205	2.291.501
Closing Balance	$12.170.256	$ 9.074.051

Statement of Changes in Financial Position

For the Year Ended December 31, 1986

	1986	1985
FUNDS WERE DERIVED FROM		
Current Operations		
Net Profit for the Year	$ 3.096.205	$ 2.291.501
ADD Expenses not requiring Cash Outlay		
Depreciation	3.663.575	3.768.155
Amortization of Foreign Exchange	822.756	1.058.069
DEDUCT Credits to Operations not involving Incoming Funds		
Interest on Sinking Fund	(1.145.793)	(1.052.495)
Total Funds from Current Operations	6.436.743	6.065.230
Payments from Sinking Fund Trustees		
Matured Debt	1.135 448	2.000.000
Foreign Exchange	201.644	156.678
Debenture Issue	9.064.553	1.000.000
General Reserve	375.856	438.025
Watermain Renewal Reserve	8.419.866	8.756.854
Proceeds from Sale of Property and Plant	20.137	—
	25.654.247	18.416.787
FUNDS WERE EXPENDED FOR		
Property, Plant and Equipment	9,144,587	9,472,729
Payment to Sinking Fund Trustees		
Actuarial Requirements	1,930,507	1,953,316
Foreign Exchange	86,269	980,352
Debt Retired	10,451,600	2,531,642
Foreign Exchange on Maturities	3,673,400	192,221
Repayment of General Reserve	318,461	368,162
	25,604,824	15,498,422
Increase in Working Capital	$ 49,423	$ 2,918,365

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

Notes to the Financial Statements

December 31, 1986

1 **Significant Accounting Policies**

A PROPERTY AND PLANT

Assets of the former City of Winnipeg and Metropolitan Corporation of Greater Winnipeg and projects constructed since January 1, 1972 are recorded at cost. The assets of the former suburban Municipalities are recorded at the amount of the outstanding liabilities. The cost of assets is not removed from the accounts when the assets are taken out of service. Therefore, the assets and accumulated depreciation are overstated. The amount of the overstatement has not been determined to date.

Watermain Renewals financed in prior years from the Watermain Renewal Reserve have been added to the Waterworks System Property and Plant in 1986. The 1985 Balance Sheet and Statement of Changes in Financial Position have been adjusted for comparative purposes.

B DEPRECIATION

Depreciation is recorded on the basis of serial debt repaid, Sinking Fund installments provided, General Reserve debt retired, and interest earned on the Sinking Fund. The effect of this policy is as follows:

a) All capital assets, including the cost of land, are subject to depreciation after they are funded.

b) Projects under construction are, in certain instances, funded and depreciated prior to being placed in service.

C FOREIGN EXCHANGE ON DEBENTURE DEBT

Unrealized exchange losses relating to the translation of long term foreign currency bond issues at the exchange rate prevailing at the balance sheet date are fully provided for in the Long Term Debt section. (See Note 4(b))

D ACCRUAL BASIS OF ACCOUNTING

Revenue for services rendered but not billed at the end of the year is not being accrued. Other items of revenues and expenditures are accounted for on the accrual basis.

E On February 3rd, 1982 Council approved, by resolution, the establishment of a Reserve for Watermain Replacement and that there be an annual transfer of 100% of the Water Frontage Levy revenue to the Reserve for Watermain Renewals. Amending By-law No. 3890/85 set the Water Frontage Levy at $.85 per fronting foot.

2 **Funds on Deposit with Sinking Fund Trustees**

a) Included in this asset are deposits for foreign exchange requirements of $3.809.537.

b) Funds on deposit for actuarial and foreign exchange requirements are credited with interest calculated at various statutory rates not exceeding the maximum rate as prescribed by The City of Winnipeg Act. If the Sinking Fund Trustees' net income for the year was allocated in proportion to total funds on deposit, an additional amount of approximately $1.6 million (1985 $1.6 million) would have accrued to the credit of the utility

3 **Debenture Debt**

a) All Sinking Fund Debenture issues provide for full sinking fund at maturity on the basis of actuarial capitalizations averaging approximately 4.85%, with the exception of the following

i) By-law 1586/77 — In 1977 the City of Winnipeg under By-law 1586/77 issued 10-year sinking fund debentures. The 1% levy provision as permitted under Section 304(2) of the City of Winnipeg Act would result in a sinking fund deficiency at maturity. To ensure that sufficient funds are available to retire the bonds on the due date, additional monies at present are being raised annually from operations and/or Sinking Fund surplus to meet the annual requirement for full sinking fund provision. In 1986, the entire additional requirement of $451.780 was realized as a contribution from the Sinking Fund Trustees.

ii) By-law 2622/80 — In 1980 the City of Winnipeg underBy-law 2622/80 issued 8-year sinking fund debentures, extendible for an additional 8 years. The 5% levy provision as permitted under Section 304(2) of the City of Winnipeg Act will result in a sinking fund deficiency requiring refinancing if the debentures are redeemed at the end of 8 years. If the issue remains outstanding until 1996, a sinking fund sufficient to fully retire the issue will be available.

iii) The following table sets out those By-Laws which as a result of the levies being provided and the terms of the issues, will result in sinking fund deficiencies requiring these issues to be refinanced at maturity

By-Law	Year of Issue	Term of Issue	Levy
3807/84	1984	7 Years	3%
4025/85	1985	5 Years	3%
4246/86	1986	5 Years	3%
4347/86	1986	10 Years	3%

b) All debentures are general obligations of the City. Debenture debt is allocated to the General Capital Fund and Utilities in the amounts shown in the issuing by-law

c) At maturity the debenture debt is payable in the following currencies

In Canadian Dollars	$41 595 661
In United States Dollars	13.900 000
	$55.495 661

Debenture debt issued in United States Dollars is recorded at par with the Canadian Dollar

4 **Provision for Foreign Exchange at Maturity**

a) Sufficient funds are on deposit with the Sinking Fund Trustees for sinking fund debenture issues payable in foreign currencies to maintain the actuarial requirements in Canadian dollars at the equivalent of the foreign currencies at the exchange rates prevailing at the balance sheet date

b) Debenture debt payable in foreign currencies amounted to $13 900 000 as at December 31, 1986. The foreign exchange on this liability at the exchange rate prevailing at balance sheet date totalled $5 282 000. To date $2.357.901 has been accumulated towards this contingency at maturity through the retention of exchange premiums realized on foreign currency bond issues, contributions from sinking fund surpluses and charges to current operations. The City has adopted a policy of including foreign exchange on Sinking Fund holding of U.S. securities to reduce the amount to be amortized. The exchange attributed to these investments totalled $328.901. The foreign exchange deficiency of $2 595 198 (an amount which will be recalculated annually as the requirement for such purpose may from year to year vary) has been set up as a deferred charge to be amortized over the remaining life of the related bond issues by annual charges to operations

5 **Accounts Payable**

Commitments totalling $173 184 (1985 - $81 598) were recorded in the accounts for goods and services which had not been received by the year end

6 **Contingent Liability**

Under the sick pay credit plan of the Waterworks System, unused sick leave credits accumulate and employees with specified minimum service requirements become entitled to a cash payment upon retirement, death or termination of service under certain conditions (not resignation). The estimated liability for such accumulated credits has not been determined

7 **Consumer Rates**

Consumer rates were increased effective January 1, 1985 as authorized by By-law 3948/85

8 **Realty and Business Taxes**

This expenditure includes full taxes paid to outside municipalities and to the City of Winnipeg General Revenue Fund. Taxes are assessed on property as if it were privately owned. The only exceptions to this are grants in lieu of taxes paid to the R.M. of Tache ($3 750), the R.M. of Springfield ($15.000) and the Local Government District of Reynolds ($2 500). These amounts are fixed by the City of Winnipeg Act

9 **Amortization of Pension Fund Deficit**

City Council has adopted a policy of amortizing unfunded pension fund liabilities in accordance with the Pension Benefit Act of the Province. The latest actuarial valuations are as at December 31, 1985. Amortization payments in 1986 were based on the new valuations in anticipation of approval by City Council. The Waterworks System portion is as follows

Pension Fund	Unfunded Liability As At December 31, 1986		Annual Payment	Term
Employee Benefits	$2.174.500	(Pension Improvements)	$274 945	to 2000
Employee Benefits	30.600		9.515	to 1990
	$2.205.100		$284 460	

10 **Changes in Accounting Treatment**

The following change in accounting treatment was instituted in 1986.

Interest income from investment re the fully provided sinking fund for debenture By-law 1308 ($700,000) has been included with Interest Earned revenue. This revenue had previously been included in Interest on Sinking Fund revenue. 1985 figures have been adjusted for comparative purposes.

Sewage Disposal System

Historical Data

Concern over rising pollution from sewage waste in the 1930's led to the establishment of the Greater Winnipeg Sanitary District in 1935. The same year saw a tri-government agreement to construct a sewage collection system and primary treatment plant which commenced operation in 1938. Major extensions to these facilities were constructed from 1954 through 1961 costing 3.6 million dollars.

The Metropolitan Corporation of Winnipeg replaced the Greater Winnipeg Sanitary District in 1961 and assumed the responsibility of treating sewage for the entire Metropolitan Winnipeg area. The next eleven years saw the construction of the West End Water Pollution Control Centre, and major revisions to the primary treatment and the addition of secondary treatment facilities at the North End Water Pollution Control Centre at an approximate cost of 17.8 million dollars.

On January 1, 1972, under the provisions of the City of Winnipeg Act, the new City assumed total responsibility for sewage disposal, including the individual delivery networks previously managed by the twelve former municipalities. During 1972, users continued to be charged at the same independent rates (based on water consumption) that prevailed in each of the former municipalities prior to unification. A schedule of rates common to the whole new City was adopted in 1973.

History was made on September 10th, 1974 with the opening of the South End Water Pollution control Centre, the first sewage treatment plant in Canada to utilize on-site generated oxygen to sustain bacterial growth in the sewage treatment process instead of vast quantities of air. Technological advances allowed staffing to be reduced from a 24 hr. - 7 day week to an 10 hr. - 5 day week. Twenty-four hour monitoring of this facility is undertaken at the McPhillips Water Pumping Control Centre.

Start-up of the South End Water Pollution Control Centre in 1974 marked the completion of a ten year plan to collect and provide secondary treatment for sewage generated in the southern part of the City. The cost of this 46 million litre per day facility, including the required sewage interceptor system, was approximately 15 million dollars.

A $2,000,000 expansion to the West End Water Pollution Control Centre was completed in late 1976. This addition was an extended aeration treatment plant with a capacity of 27 million litres per day. This plant functions along with the present lagoon system with a combined capacity 41 million litres per day.

Construction of two additional primary clarifiers at the North End Site in 1979 were the first step of a planned expansion to 827 million litres per day capacity. Improvements at the North End Water Pollution Control Centre (NEWPCC) in 1982 included the installation of equipment to improve digester performance and the purchase and installation of oxygen dissolution equipment. Additionally a contract was awarded for the supply of oxygen produced by an on-site oxygen generating plant built and operated by the supplier.

As part of the ongoing secondary process expansion, oxygen reactor tanks have been completed and the expansion of secondary clarification capacity — to 332 million litres per day (average annual) is underway. When completed in 1988 the total estimated cost for secondary process expansion works is estimated to be $44.5 million. This expansion will increase peak secondary treatment capacity and achieve a higher standard of treatment for improved pollution control. The treatment objective is 25 milligrams per litre BOD and 30 mg/1 suspended solids at peak month operating conditions. This treatment will generate increased sludge quantities requiring treatment and disposal.

Treatment of increased sludge quantities will take place in two additional sludge digesters now being constructed at a cost of $18.2 million. These will be completed in late 1987. Sludge will be dewatered in a facility projected to be completed in late 1988. The current estimate for this dewatering facility is $13 million. However, this cost will be revised upward to accommodate requirements of the recently revised Clean Environment Commission Order.

The utility bears a share of general overhead expenses of the City as well as municipal taxes.

Statistical Information

	1986	1985
Sewage Received (million litres)	129.539.0	122,390.0
Sewage received (million litres average per day)	354.9	335.4
Kilometers of Interceptor Sewers	97.0	96.0
Kilometers of Combined Sewers	1,073.94	1,070.1
Kilometers of Sanitary Sewers	1,052.58	1,029.7
Kilometers of Storm Sewers	934.48	817.38
Number of Billed Sewer Services	163,218.0	162,330.0

Financial Statements follow on Pages 91 to 94.

The City of Winnipeg
Sewage Disposal System
Balance Sheet

As at December 31, 1986

Assets

	1986	1985
CURRENT ASSETS		
Cash on Hand	$ 150	$ 150
Due from General Revenue Fund	430.695	13,651,596
Accounts Receivable		
Province of Manitoba	689	798
Government of Canada	432	—
Sinking Fund Trustees	47.602	13.118
Other	419.941	255.315
	468.664	269.231
	899.509	13.920.977
FUNDS ON DEPOSIT WITH SINKING FUND TRUSTEES (Note 2 & 4(a))	15.616.689	17.133.222
FIXED ASSETS		
Property, Plant and Equipment (Note 1(A))	88.833.330	87.960.636
Work in Progress (Note 1(A))	38.471.271	11.092.600
	127.304.601	99.053.236
LESS Accumulated Depreciation (Note 1(B))	32.481.358	29.506.114
Contributions in Aid of Construction	13.634.755	13.549.438
	81.188.488	55.997.684
DEFERRED FOREIGN EXCHANGE (Note 4(b))	1.366.201	2.526.727
	$ 99.070.887	$ 89.578.610

Liabilities

	1986	1985
CURRENT LIABILITIES		
Accounts Payable (Note 5)	$ 5.997.990	$ 2.836.037
Accrued Liabilities	73.402	57.410
Accrued Debenture Interest	2.453.860	2.408.459
	8.525.252	5.301.906
LONG TERM LIABILITIES		
Debenture Debt (Note 3)	76.303.876	65.072.691
Provision for Foreign Exchange at Maturity (Note 1(C) & 4(b))	2.519.772	9.611.369
	78.823.648	74.684.060
Due to General Reserve Fund	1.475.958	1.577.103
	80.299.606	76.261.163
	88.824.858	81.563.069

Equity

	1986	1985
Retained Earnings	10.246.029	8.015.541
	$ 99.070.887	$ 89.578.610

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

The City of Winnipeg
Sewage Disposal System
Statement of Revenue and Expenditure

For the Year Ended December 31, 1986

	Budget 1986	Actual 1986	Actual 1985
REVENUE			
Sewage Services	$25,708,700	$26,683,409	$26,112,958
Frontage Taxes	950,000	967,563	946,951
Provincial Support Grant	67,247	67,100	55,913
Sewer Connection Permits	25,000	43,895	33,365
Industrial Waste Surcharges	575,000	720,702	330,616
Interest Earned (Note 10)	1,166,000	1,910,691	1,400,717
Interest Capitalized	1,440,000	1,157,142	118,993
Interest on Sinking Fund (Note 10)	808,009	738,384	637,518
Contribution from Sinking Fund	155,766	243,266	243,266
Miscellaneous	5,000	36,212	12,006
TOTAL REVENUE	$30,900,722	$32,568,364	$29,892,303
EXPENDITURE			
Interception and Treatment			
General Administration	$ 265,051	$ 310,280	$ 455,647
Interception and Treatment Administration	162,079	144,771	160,824
Customers Accounts	1,350,745	1,292,968	1,292,667
Electrical Maintenance/Instrumentation	343,978	344,657	300,513
Mechanical Maintenance	540,227	537,202	481,386
Civil Maintenance	231,530	227,126	246,014
Interception System	1,006,563	974,545	954,558
North End Water Pollution Control Centre	4,987,469	4,589,897	4,497,846
South End Water Pollution Control Centre	1,120,089	1,087,791	971,035
West End Water Pollution Control Centre	218,450	179,588	178,951
Industrial Waste Control	153,679	154,418	144,713
Design and Engineering	743,258	673,319	636,421
Laboratory Services	379,226	368,798	341,060
	11,502,344	10,885,360	10,661,635
Collection and Sewer Service			
Administration	435,642	559,598	414,382
Sewer Maintenance	2,896,846	2,963,844	2,621,856
Sewer Renewals	175,000	174,212	301,997
Sewer Connections	200,000	104,455	80,322
Emergency Services	116,147	122,171	102,851
	3,823,635	3,924,280	3,521,408
Debt and Finance			
Interest on Debentures	7,962,251	8,246,040	7,016,521
Depreciation	3,043,556	2,975,244	2,677,457
Foreign Exchange	1,754,000	2,086,922	2,601,689
Financial Expenses	640,000	292,998	178,270
	13,399,807	13,601,204	12,473,937
Other			
Realty and Business Taxes (Note 8)	755,000	776,043	749,045
Payroll Taxes General Government Charges, Insurance, etc	456,833	492,726	431,632
Employee Benefits	624,131	570,339	549,819
Amortization of Pension Fund Deficit (Note 9)	95,317	87,924	110,473
	1,931,281	1,927,032	1,840,969
TOTAL EXPENDITURE	$30,657,067	$30,337,876	$28,497,949
NET PROFIT FOR THE YEAR	$ 243,655	$ 2,230,488	$ 1,394,354

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

The City of Winnipeg
Sewage Disposal System
Statement of Retained Earnings

For the Year Ended December 31, 1986

	1986	1985
Opening Balance	$ 8,015,541	$ 6,621,187
ADD Net Profit for the Year	2,230,488	1,394,354
Closing Balance	$10,246,029	$ 8,015,541

Statement of Changes in Financial Position

For the Year Ended December 31, 1986

	1986	1985
FUNDS WERE DERIVED FROM		
Current Operations		
Net Profit for the Year	$ 2,230,488	$ 1,394,354
ADD Expenses not requiring Cash Outlay		
Depreciation	2,975,244	2,677,457
Amortization of Foreign Exchange	777,623	1,320,633
DEDUCT Credits to Operations not Involving Incoming Funds		
Interest on Sinking Fund	(738,384)	(637,518)
Total Funds from Current Operations	5,244,971	4,754,926
Payment from Sinking Fund Trustees		
Matured Debt	2,845,700	—
Foreign Exchange	928,048	—
Debenture Issues	29,494,300	6,000,000
Contributions in Aid of Construction	85,317	251,945
	38,598,336	11,006,871
FUNDS WERE EXPENDED FOR		
Property, Plant and Equipment	28,251,365	3,984,670
Payments to Sinking Fund Trustees		
Actuarial Requirements	1,518,831	1,338,831
Foreign Exchange	—	858,599
Debt Retired	18,263,115	715,197
Foreign Exchange on Maturities	6,708,694	—
Repayment of General Reserve	101,145	93,393
	54,843,150	6,990,690
Increase (Decrease) in Working Capital	$(16,244,814)	$ 4,016,181

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

Notes to the Financial Statements

December 31, 1986

1 **Significant Accounting Policies**

A PROPERTY AND PLANT

Assets of the former Metropolitan Corporation of Greater Winnipeg and projects constructed since January 1, 1972 are recorded at cost. Assets of the former City of Winnipeg and the former suburban Municipalities are recorded at the amount of the outstanding liabilities. The cost of assets is not removed from the accounts when the assets are taken out of service. Therefore, the assets and accumulated depreciation are overstated. The amount of the overstatement has not been determined to date.

B DEPRECIATION

Depreciation is recorded on the basis of serial debt repaid, Sinking Fund installments provided, General Reserve debt retired, and interest earned on the Sinking Fund. The effect of this policy is as follows:

a) All capital assets, including the cost of land, are subject to depreciation after they are funded.

b) Projects under construction are, in certain instances, funded and depreciated prior to being placed in service.

C FOREIGN EXCHANGE ON DEBENTURE DEBT

Unrealized exchange losses relating to the translation of long term foreign currency bond issues at the exchange rate prevailing at the balance sheet date are fully provided for in the Long Term Debt section. (See Note 4(b))

D ACCRUAL BASIS OF ACCOUNTING

Revenue for services rendered but not billed at the end of the year is not being accrued. Other items of revenues and expenditures are accounted for on the accrual basis.

2 Funds on Deposit with Sinking Fund Trustees

a) Included in this asset are deposits for foreign exchange requirements of $2.333.912.

b) Funds on deposit for actuarial and foreign exchange requirements are credited with interest calculated at various statutory rates not exceeding the maximum rate as prescribed by The City of Winnipeg Act. If the Sinking Fund Trustees' net income for the year was allocated in proportion to total funds on deposit, an additional amount of approximately $1.0 million (1985 $1.0 million) would have accrued to the credit of the utility.

3 Debenture Debt

a) All sinking fund debenture issues provide for full sinking fund at maturity on the basis of actuarial capitalizations averaging approximately 4.85%, with the exception of the following:

i) By-law 1586/77 — In 1977 The City of Winnipeg under By-law 1586/77 issued 10-year sinking fund debentures. The 1% levy provision as permitted under Section 304(2) of The City of Winnipeg Act would result in a sinking fund deficiency at maturity. To ensure that sufficient funds are available to retire the bonds on the due date, additional monies at present are being raised annually from operations and/or Sinking Fund surplus to meet the annual requirement for full sinking fund provision. In 1986, the entire additional requirement of $243.266 was realized as a contribution from the Sinking Fund Trustees.

ii) By-law 2622/80 — In 1980 The City of Winnipeg under By-law 2622/80 issued 8-year sinking fund debentures, extendible for an additional 8 years. The 5% levy provision as permitted under Section 304(2) of The City of Winnipeg Act will result in a sinking fund deficiency requiring refinancing if the debentures are redeemed at the end of 8 years. If the issue remains outstanding until 1996, a sinking fund sufficient to fully retire the issue will be available.

iii) The following table sets out those By-Laws which, as a result of the levies being provided and the terms of the issues, will result in sinking fund deficiencies requiring these issues to be refinanced at maturity.

By-Law	Year of Issue	Term of Issue	Levy
3807/84	1984	7 years	3%
4025/85	1985	5 years	3%
4246/86	1986	5 years	3%
4347/86	1986	10 years	3%

b) All debentures are general obligations of The City. Debenture debt is allocated to the General Capital Fund and Utilities in the amounts shown in the issuing by-law.

c) At maturity the debenture debt is payable in the following currencies

In Canadian Dollars	$69.403.876
In United States Dollars	6.900.000
	$76.303.876

Debenture debt issued in United States Dollars is recorded at par with the Canadian Dollar.

4 Provision for Foreign Exchange at Maturity

a) Sufficient funds are on deposit with the Sinking Fund Trustees for sinking fund debenture issues payable in foreign currencies to maintain the actuarial requirements in Canadian Dollars at the equivalent of the foreign currencies at the exchange rates prevailing at the balance sheet date.

b) Debenture debt payable in foreign currencies amounted to $6.900.000 as at December 31, 1986. The foreign exchange on this liability at the exchange rate prevailing at balance sheet date totalled $2.622.000. To date $1.153.571 has been accumulated towards this contingency at maturity through the retention of exchange premiums realized on foreign currency bond issues, contributions from sinking fund surpluses and charges to current operations. The City has adopted a policy of including foreign exchange on Sinking Fund holdings of U.S. securities to reduce the amount to be amortized. The exchange attributed to these investments totalled $102.228. The foreign exchange deficiency of $1.366.201 (an amount which will be recalculated annually as the requirement for such purpose may from year to year vary) has been set up as a deferred charge to be amortized over the remaining life of the related bond issues by annual charges to operations.

5 Accounts Payable

Commitments totalling $1.019.668 (1985 - $315.398) were recorded in the accounts for goods and services which had not been received by the year end. Capital accounts payable for $2.602.754 have also been set up in 1986. The 1985 figures have not been restated.

6 Contingent Liability

Under the sick pay credit plan of the Sewage Disposal System, unused sick leave credits accumulate and employees with specified minimum service requirements become entitled to a cash payment upon retirement, death or termination of service under certain conditions (not resignation). The estimated liability for such accumulated credits has not been determined.

7 Consumer Rates

Consumer rates were increased effective January 1, 1985 as authorized by By-law 3947/85.

8 Realty and Business Taxes

This expenditure includes full taxes paid to outside municipalities and to the City of Winnipeg General Revenue Fund. Taxes are assessed on property as if they were privately owned. The only exception to this are taxes paid on the North End Water Pollution Control Centre which are fixed at $30.000.

9 Amortization of Pension Fund Deficit

City Council has adopted a policy of amortizing unfunded pension fund liabilities in accordance with the Pension Benefit Act of the Province. The latest actuarial valuations are as at December 31, 1985. Amortization payments in 1986 were based on the new valuations in anticipation of approval by City Council. The Sewage Disposal System portion is as follows:

Pension Fund	Unfunded Liability As At December 31, 1986		Annual Payment	Term
Employee Benefits	$672.100	(Pension Improvements)	$84.983	to 2000
Employee Benefits	9.400		2.941	to 1990
	$681.500		$87.924	

10. Changes In Accounting Treatment

The following change in accounting treatment was instituted in 1986.

Interest income from investment re the fully provided sinking fund for debenture By-law 1308 ($800,000) has been included with Interest Earned revenue. This revenue had previously been included in Interest on Sinking Fund revenue. 1985 figures have been adjusted for comparative purposes.

CITY OF WINNIPEG
UNUM CUM VIRTUTE MULTORUM

Winnipeg Ambulance Service

The Winnipeg Ambulance Department

Historical Data

Prior to 1975 Ambulance Service in Winnipeg was provided by seven private companies with 17 vehicles. The City was also served by four Fire Rescue Units and two vehicles in two Police Departments.

In total, there were 15 jurisdictions with 17 vehicles operating ambulance service within the boundaries of amalgamated Winnipeg prior to June, 1975.

In 1975, guided by the basic principle of unified services for a unified community, City Council set out to establish a single ambulance operation.

With a supporting provincial grant of $535,220 from the Manitoba Health Services Commission, the City bought out the private operators.

On June 16, 1975 the new Winnipeg Ambulance Service went into operation with 15 vehicles.

The Ambulance Department was created as a City Department on March 16, 1983 when Council adopted a report from the Ad Hoc Committee on Ambulance Service titled ''Emergency Medical Services in Winnipeg'' and the recommendations contained therein. The Department is responsible for providing emergency medical and stable patient transfer services within the boundaries of the City of Winnipeg and up to, and, including the Perimeter Highway.

The department responded to a total of 40,086 incidents of all types in 1986, an increase of 2,592 or 6% over 1985. Of these incidents 12,010 were life threatening calls, 6,925 were of an urgent nature. The balance were either stable patient transfers or, in some cases, cancelled calls.

The Operations Division consists of 80 Emergency Medical Attendants, 10 Dispatchers, two Storespersons and six Supervisors. This division of four platoons works a four days on, four days off shift rotation, rotating from days to nights. The major demands placed on the division range from providing emergency response and treatment of the sick and injured, to those in need at other scenes that might include severe burns in a house fire or an emergency childbirth at home. The long list of employment qualifications, education and the necessary inservice training are only part of the qualifications for this profession. It requires an individual with fortitude, compassion and self discipline. It is expected that ambulance personnel, like police and fire fighters, will accept certain occupational risks when circumstances are such that the life, health or safety of another person or the public may be in imminent jeopardy. At other times extraordinary powers of patience and persuasion have talked a suicidal person back from the edge or prevented a tragedy when crews encounter the unexpected with an emotionally disturbed person confronting a crew at a scene before other emergency agencies arrive to assist. The preservation of human life is first and foremost and in each instance the crew's highest priority.

The department's Operations Supervisors are also responsible for the extrication of victims trapped in the wreckage at a motor vehicle accident. This function is viewed as part of the process of delivering a professional emergency medical service. The Supervisor's vehicle is equipped with a complete rescue capability, which includes such items as the Jaws of Life, air bags, power chisels and the latest in modern equipment and specialized training in that field. The City of Winnipeg Ambulance Department has developed a level of expertise in this area that is used as a model by other Emergency Medical Services.

The Ambulance Department Training Division is responsible for providing recruit and inservice training for all Ambulance Department personnel and the Fire Department First Responders. It conducts extensive reviews of medical programs, audits patient care at incident scenes and by case reviews. It also manages the Stores Division which includes the selection of all medical supplies and equipment, and acts as a resource to the Medical Director. In 1986 the Training Division provided 1,245 hours of training to the Ambulance Department including one Emergency Medical Assistant recruit class, inservice training, seminars, and recertifications in advanced life support skills. Three First Responder recruit classes and inservice training resulted in 572 hours of training having been provided for the Fire Department. The department was one of the leaders in Canadian prehospital care by introducing a Basic Trauma Life Support Program into the service. The program in paramedic level management of the trauma victim, brought state of the art prehospital trauma management to Winnipeg. An application was prepared and submitted to the Canadian Medical Association for accreditation of the Ambulance Department's Emergency Medical Assistant Training Program, to secure national certification for departmental training standards. A transfer of function was secured from the college of physicians and Surgeons which has allowed the three members of the Training Division to be licensed as Paramedics. A pilot project is now in place which brings Advanced Cardiac Life Support to the scene of medical emergencies which includes drug administration, endotracheal tubation, and intravenous therapy. The Ambulance Department has improved the survival rate of out of hospital cardiac arrest to where 24% are now being admitted to hospital and 9% are ultimately discharged. The implementation of these paramedic skills now in a trial stage, can be expected to ensure that the citizens of Winnipeg will continue to receive state of the art prehospital medical care.

Statistical Information:

	1986	%	1985	%
Total Number of Emergency Calls	18,935	100.0%	17,533	100.0%
Average Emergency Response Time	5.42 mins.		5.08 mins.	
Code 4 Calls	12,010	63.0%	10,893	44.9%
Code 3 Calls	6,925	37.0%	6,640	27.4%
Less Than 4 Minutes	6,008	50.0%	5,421	49.8%
4 — 6 Minutes	3,130	27.0%	3,077	28.2%
6 — 8 Minutes	1,611	12.0%	1,285	11.8%
Greater Than 8 Minutes	1,261	11.0%	1,110	10.2%

Financial Statements follow on Pages 97 to 99.

The City of Winnipeg
Winnipeg Ambulance Service
Balance Sheet

As at December 31, 1986

Assets

	1986	1985 (Note 5)
Current Assets		
Cash on Hand	$ 200	$ 200
Accounts Receivable		
Individuals	486,086	335,257
Less: Allowance for Doubtful Accounts	162,000	118,000
	324,086	217,257
Agencies	79,351	52,187
Manitoba Blue Cross	153,295	103,117
	556,732	372,561
Sundry	460	527
	557,192	373,088
Capital Assets		
Equipment at Cost		
Mobile (Note 2)	352,814	351,095
Communication	266,461	254,683
Furniture and Fixtures	119,734	94,406
	739,009	700,184
Less: Accumulated Depreciation and Amortization (Note 1A)	734,399	677,496
	4,610	22,688
	$562,002	$395,976

Liabilities

	1986	1985
Due to General Revenue Fund	$254,431	$191,036
Due to General Capital Fund	4,610	22,688
Accounts Payable (Note 4)	37,304	55,767
Accrued Liabilities	141,387	126,485
Estimated Wage Adjustment	124,270	—
	$562,002	$395,976

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

The City of Winnipeg
Winnipeg Ambulance Service
Statement of Revenue and Expenditure
For the Year Ended December 31, 1986

	Budget 1986	Actual 1986	Actual 1985 (Note 5)
REVENUE			
Ambulance User Fees			
Emergency Services	$2,333,300	$2,658,939	$1,969,487
Transfer Services	400,000	393,491	354,628
	2,733,300	3,052,430	2,324,115
Appropriation from General Levy	2,580,512	1,979,373	2,432,323
Province of Manitoba			
Per Capita Grant	1,016,051	1,030,817	991,170
Support Grant	65,964	65,900	56,941
Per Capita Fees - Municipalities	—	—	49,757
Service Contracts	—	4,145	—
Bad Debt Recoveries	10,000	12,960	9,911
Other	—	12,528	1,984
	$6,405,827	$6,158,153	$5,866,201
EXPENDITURE			
Operations			
Emergency Services	$3,740,299	$3,642,690	$3,471,610
Transfer Services	420,171	403,557	406,749
Communications	590,981	554,027	576,055
Training	267,831	229,982	228,618
Stores	58,775	50,202	55,711
	5,078,057	4,880,458	4,738,743
Administration	416,713	405,683	372,292
Other			
Employee Benefits	499,876	468,195	413,339
Bad Debt Finance	275,000	272,267	194,863
Other Debt and Financing Charges	36,669	34,865	68,807
Payroll Tax	65,964	63,137	59,752
Insurance and Claims	33,548	33,548	18,405
	$6,405,827	$6,158,153	$5,866,201

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

The City of Winnipeg
Winnipeg Ambulance Service
Notes to the Financial Statements

As at December 31, 1986

1. **Significant Accounting Policies**

A. Capital Equipment
Capital assets financed by The City of Winnipeg - Capital Fund are amortized based on the principal repayment. Other Capital assets are fully depreciated in the year of purchase.

B. Operating Supplies
All operating supplies are written off as operating expenses in the year acquired.

C. Accrual Basis of Accounting
Revenue and expenditure are accounted for on the accrual basis.

D. Appropriation From General Levy
Expenditures in excess of Provincial Government grants and operating revenues are funded by the General Revenue Fund of The City of Winnipeg.

2. **Mobile Equipment**

Mobile equipment includes only equipment on vehicles. All vehicles were transferred to the Equipment and Material Services Division in 1980. The Winnipeg Ambulance Service now pays the Equipment and Material Services Division for the use of the vehicles.

3. **Contingent Liability**

Under terms of The Winnipeg Ambulance Service Union Agreements, certain employees are entitled to cash payments for unused sick leave credits upon retirement, death or termination of service under certain conditions (not resignation). The estimated liability for these sick leave credits has not been determined. Payments will be charged to operations in the year incurred.

In addition under the terms of the Union Agreements, permanent employees, upon resignation from the Winnipeg Ambulance Service shall be entitled to a cash payment for his/her unused accumulated sick credits to his/her standing as of January 1, 1980, in an amount equivalent to 50% of the amount as calculated within the cash out provisions. The cash payment is calculated at the rate at which it was accumulated. No provision is made for the liability until the time of resignation or lay off. As of December 31, 1986, this liability is estimated at $72,406.

4. **Accounts Payable**

Commitments totalling $19,107 (1985-$18,332) were recorded in the accounts for goods and services which had not been received by year end.

5. **Reclassification of Current Assets and Expenditures**

The format and classification of the current assets and expenditures have been changed for 1986. The 1985 figures have been restated for comparative purposes.

Auditor's Report

Ms. Leila Bell
Director
Emergency Health & Ambulance Services Division
Manitoba Health Services Commission

I have examined the balance sheet of The City of Winnipeg, Winnipeg Ambulance Service as at December 31, 1986 and the statement of revenue and expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances. I have obtained all of the information and explanations I have required.

In my opinion, these financial statements present fairly the financial position of The City of Winnipeg, Winnipeg Ambulance Service as at December 31, 1986 and the results of its operations for the year then ended in accordance with accounting principles described in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Chartered Accountant
and City Auditor

Winnipeg, Manitoba
June 11, 1987

Aerial view of the grounds and facilities of the City operated **Municipal Hospitals** which provide chronic and respirator service.

CITY OF WINNIPEG
UNUM CUM VIRTUTE MULTORUM

Winnipeg Municipal Hospitals

The Municipal Hospital Commission of The City of Winnipeg

Historical Data

Hospital Service as a civic utility dates back to January, 1911, when the old Beath Maternity Hospital, on Bannatyne Avenue, was bought for the care and treatment of Scarlet Fever prevalent at that time.

A temporary building was then constructed for cases of Pulmonary Tuberculosis on a hospital site which the City had acquired in Riverview and to which the first patient was admitted in June, 1911. Afterwards followed the construction of permanent accommodation for these cases, and in July, 1912, the King Edward Memorial Hospital was ready for occupancy.

Subsequently the King George Hospital was opened in February, 1914, for all acute communicable diseases excepting Smallpox and in October, 1921, the care of Smallpox was also taken over, so that facilities for the care and treatment of all communicable diseases were then available.

On November 2nd, 1937, the McKittrick Tuberculosis Clinic erected from funds bequeathed by the late Martin T. McKittrick, was put in operation although not officially opened until June 1st, 1938, by the Reverend Sister Edith Patricia, daughter of the donor.

Construction was commenced on May 27th, 1947, of a 208-bed institution on the Municipal Hospital grounds, to provide hospital care for chronically ill patients and by Royal assent was named the Princess Elizabeth Hospital. On December 15th, 1950, the first patients were admitted for treatment.

With the intensive preventive measures of the Tuberculosis control campaign showing remarkable results and aided by the discovery of new antibiotics, it was found unnecessary for the City to continue to remain in this treatment field and effective July 1st, 1954, this service was transferred to the Sanatorium Board of Manitoba and the King Edward Memorial Hospital was replanned to provide more chronic beds to relieve the pressure on the Princess Elizabeth Hospital.

Renovation was commenced on November 15th, 1954, and completed late in 1955. As a result of this replanning, 124 additional chronic beds were available for use early in 1956.

The capacity in the King George Hospital for the treatment of acute communicable diseases, including the area respirator centre, was also adjusted in 1955, to provide for new Administrative offices and beds were reduced from 200 beds to 171.

On December 31st, 1967, the Infectious Disease Service was terminated due to the very low incidence of acute communicable diseases. By agreement reached with all area hospitals, future hospital requirements will be met by dispersing patients to special facilities established on the Unicity area acute service wards. This method of care has been endorsed by the City of Winnipeg as well as the Province of Manitoba health authorities.

As a result of this change in policy a reappraisal of beds available for treatment purposes was made and the following is the revised capacity of all three units.

King George Hospital (Respirator and extended treatment)	84 beds
King Edward Memorial Hospital (extended treatment)	106 beds
Princess Elizabeth Hospital (extended treatment)	160 beds
	350 beds

A Home Care Program established as a trial project in mid 1965 proved to be a success and now functions as an organized department. Eighty (80) patients were in receipt of this service at the fiscal year end.

During 1955 a new policy of the Provincial Government was announced to take effect January 1st, 1956. By this, all hospitals in Manitoba were inspected by a Statutory Rate Board to determine the cost of services in each hospital and a daily rate assigned accordingly.

This superseded all prior legislation covering per diem grants and statutory ward rates and following approval by the Legislature in 1956, constituted part of the revised Hospital Aid Act of Manitoba. On July 1st, 1958, a further change took place when the Manitoba Hospital Services Plan came into effect. This form of compulsory province-wide prepaid hospital insurance is intended to promote an integrated system of hospital and related health facilities on a free basis at standard ward levels to all legal residents of Manitoba. The Manitoba program is a part of the Federal Government's universal health plan which was under promotion for many years.

Since 1962, the Board and Administration of the Winnipeg Municipal Hospital have been planning for new and renovated facilities to meet the ever-increasing demand for extended care service. In 1980, approval was received from the Manitoba Health Services Commission to proceed with the development of a functional program and initial planning for a service building to accommodate designated service departments of the Hospital, together with renovations to specific areas of the King George Hospital. This new building, called the Day Hospital, dedicated to former Mayor Robert Ashley Steen, was officially opened by Her Honor Pearl McGonigal, September 14th, 1983, assisted by Mayor Wm. C. Norrie and Mrs. Robert Steen. It is a modern facility equipped to offer an enriched program of therapy and socialization to 50 patients per day. At present 25 - 30 patients are enrolled in this program.

In 1983 the Manitoba Health Services Commission approved the hospital's project for redevelopment of the Municipal Hospital.

Statistical Information*

	1986	1985
Patients Admitted—		
Chronic Service	749	743
Respirator Service	21	22
Average Stay of Patients (Days)—		
Chronic Service	144.5	155
Respirator Service	363.8	185
Days of Treatment Given	115,906	119,233
Average Number of Patients in Hospital	309	327
Average Number of Employees	652	655

*It should be noted that the statistics shown relate to the periods April 1st, 1984 to March 31st, 1985 and April 1st, 1985 to March 31st, 1986.

Financial Statements follow on Pages 103 to 106.

The Municipal Hospital Commission of The City of Winnipeg Plant Fund Balance Sheet

As at March 31, 1986

Assets

	1986	1985
PROPERTY AND PLANT - At Cost (Note 2)	$11,113,788	$ 6,946,037
Less Accumulated Depreciation	3,655,155	3,273,323
	7,458,633	3,672,714
Projects under Construction	717,753	3,626,871
	8,176,386	7,299,585
DUE FROM THE CITY OF WINNIPEG GENERAL REVENUE FUND		
Depreciation Fund	232,546	192,479
Improvement and Replacement Fund	177,744	188,255
	410,290	380,734
	$ 8,586,676	$ 7,680,319

Liabilities And Capital

	1986	1985
CAPITAL INVESTED IN PLANT	$ 1,787,858	$ 1,959,304
ACCOUNTS PAYABLE	67,727	—
DUE TO THE CITY OF WINNIPEG GENERAL CAPITAL FUND	4,757,228	3,715,540
DUE TO THE CITY OF WINNIPEG GENERAL RESERVE FUND (Note 4)	1,973,863	2,005,475
	$ 8,586,676	$ 7,680,319

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

Auditor's Report

To the Chairman and Members
The Municipal Hospital Commission
of The City of Winnipeg

I have examined the Revenue Fund and Plant Fund balance sheets of The Municipal Hospital Commission of The City of Winnipeg, as at March 31, 1986 and the statements of revenue and expenditure, surplus, capital invested in plant and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

During the current year, capital projects which were completed, were not transferred to the appropriate asset account until year end. Failure to transfer these projects has resulted in $256,727 of interest being capitalized instead of being charged to current operations.

In my opinion, except for the effects of the interest on Capital projects being recorded as mentioned in the previous paragraph, these financial statements present fairly the financial position of the commission as at March 31, 1986 and the results of its operations for the year then ended, in accordance with accounting principles described in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

LE Marks

Chartered Accountant
and City Auditor

Winnipeg, Manitoba
December 4, 1986

The Municipal Hospital Commission of The City of Winnipeg Revenue Fund Balance Sheet

As at March 31, 1986

Assets

	1986	1985
CASH	$ 400	$ 400
ACCOUNTS RECEIVABLE		
Manitoba Health Services Commission	1,676,676	527,836
Other	217,326	153,024
Due From The City of Winnipeg General Revenue Fund	512,950	256,475
	2,406,952	937,335
Less: Allowance for Doubtful Accounts	31,977	27,932
	2,374,975	909,403
Materials and Supplies, at Cost	348,297	375,808
Prepaid Expenses	1,360	83,969
	$2,725,032	$1,369,580

Liabilities

	1986	1985
DUE TO THE CITY OF WINNIPEG GENERAL REVENUE FUND	$1,932,076	$ 816,514
ACCRUED SALARIES PAYABLE (Note 6)	196,251	73,477
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	385,837	268,721
	2,514,164	1,158,712
SURPLUS	210,868	210,868
	$2,725,032	$1,369,580

Parking Lot Operations Statement of Revenue and Expenditure

For the Year Ended March 31, 1986

	1986	1985
REVENUE		
Parking Fees	$ 51,597	$ 49,672
EXPENDITURE		
Power	4,000	3,500
Miscellaneous	—	336
	4,000	3,836
NET GAIN	47,597	45,836
Transfer to Improvement and Replacement Reserve Fund	47,597	20,363
SURPLUS	$ —	$ 25,473

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

The Municipal Hospital Commission of The City of Winnipeg
Statement of Revenue and Expenditure

For the Year Ended March 31, 1986

	Budget 1986	Actual 1986	Actual 1985
REVENUE			
Manitoba Health Services Commission			
In-Patients	$19,397,304	$19,397,304	$19,590,672
Out-Patients	732,696	732,696	562,128
	20,130,000	20,130,000	20,152,800
Authorized Charges	585,100	623,436	515,918
Other Patient Care	18,400	19,265	18,659
Dietary	171,600	166,776	168,629
Sale of Drugs	243,500	340,672	238,963
Sundry	13,800	13,511	12,705
Interest	5,000	4,167	5,000
Rentals	6,000	5,972	7,190
Employment Projects	—	20,953	44,834
The City of Winnipeg	—	256,475	256,475
	$21,173,400	$21,581,227	$21,421,173
EXPENDITURE			
General Administration	$ 3,422,376	$ 4,238,780	$ 3,776,848
Care of Patients	12,198,124	12,721,056	12,168,464
General Services	3,785,075	4,036,334	3,911,648
Maintenance of Plant	1,336,825	1,335,973	1,406,753
Depreciation	149,300	146,245	69,086
Interest on Long Term Loans	251,700	251,679	257,326
	$21,173,400	$22,730,067	$21,590,125
Deficit	$ —	$ 1,148,840	$ 168,952

Statement of Surplus

For The Year Ended March 31, 1986

		1986	1985
Opening Balance		$ 210,867	$ 186,326
ADD:	Deficit from Current Operations	(1,148,840)	(168,952)
	Estimated M.H.S.C. Adjustment	1,148,840	168,952
	Surplus on Parking Lot Operations	—	25,473
		210,867	211,799
Deduct:	Prior Year's Costs Disallowed by M.H.S.C.	—	932
Closing Balance		$ 210,867	$ 210,867

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

The Municipal Hospital Commission of The City of Winnipeg — Plant Fund
Statement of Capital Invested in Plant

For the Year Ended March 31, 1986

		1986	1985
Contributed Services, Donations and Miscellaneous Income		$ 200,639	$ 125,166
DEDUCT	Depreciation of Assets Purchased with Federal Government Grants	11,014	11,014
	Depreciation of Assets not Funded by M.H.S.C.	250,830	26,835
	Purchases	110,241	59,456
		372,085	97,305
	Increase (Decrease) in Capital Investment	(171,446)	27,861
ADD	Opening Balance	1,959,304	1,931,443
Closing Balance		$ 1,787,858	$ 1,959,304

Statement of Changes in Financial Position

For the Year Ended March 31, 1986

	1986	1985
FUNDS WERE DERIVED FROM		
Operations		
Statement of Capital Invested in Plant	$ (171.446)	$ (23.082)
ADD Depreciation of Assets Purchased with Federal Government Grants	11.014	11.014
Depreciation of Assets not Funded by M.H.S.C.	322.444	77.778
	162.012	65.710
Allowance for Depreciation Paid by M.H.S.C.	74.630	69.087
	236.642	134.797
FUNDS WERE EXPENDED FOR		
Projects Under Construction	1.105.083	1.678.146
Purchase of Furniture and Equipment	179.807	103.796
Repayment of Long Term Debt	49.762	44.216
Prior Year's Purchases	—	25.923
	1.334.652	1.852.081
Increase (Decrease) in Working Capital	$(1.098.010)	$(1.717.284)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

Notes to the Financial Statements

1 **Significant Accounting Policies**

a) No statutory requirements exist but The Municipal Hospital Commission uses the Canadian Hospital Accounting Manual

b) Plant Fund assets are depreciated on a straight line basis over their estimated useful life except for the following

— Fire Protection renovations costing $183.236 with an estimated useful life of 25 years are being amortized on a basis of principal repayment commencing in 1980 over a period of 10 years which is the term of a loan from The City of Winnipeg Capital Fund

— A part of the capital cost of the Day Hospital construction in the amount of $2.033.700 has been financed from The City of Winnipeg General Reserve Fund The building has an estimated useful life of 40 years but is being amortized over a period of 20 years being the term of the long term loan from the Reserve Fund

c) The hospital is eligible to make application to the Manitoba Health Services Commission for the recovery of any deficit arising from approved expenses over revenue

d) The statements are prepared on the accrual basis of accounting

2 Property and Plant at cost includes $1.251.879 of fully depreciated facilities.

3 Contingent Liability

Under the sick pay credit plans for certain employees of The Municipal Hospital Commission, unused sick leave credits accumulate and employees with specific minimum service requirements become entitled to a cash payment upon retirement, death or termination of service under certain conditions (not resignation). The estimated liability for such accumulated credits has not been determined at the end of the year.

In addition, unused annual holidays for certain key employees is estimated at $33.900.

4 Understatement of Expenditures

a) The City of Winnipeg has not charged the Municipal Hospital Commission with interest costs on funds due to The City of Winnipeg by the Revenue Fund If these charges had been made by the City the expenditures and deficits would have been increased by $10.654 in 1986 ($34.789 1985)

b) The City of Winnipeg had allocated $256.475 in each of the years ended March 31, 1985 and March 31, 1986, with $256.475 to be charged annually to the year 2000, as the Municipal Hospital Commission's share of the cost of amortizing unfunded pension liabilities in accordance with the Pension Benefits Act of the Province The Province of Manitoba thru the Manitoba Health Services Commission has refused to reimburse the Municipal Hospital Commission for these costs and The City of Winnipeg has agreed to absorb these costs to maintain the solvency of the Municipal Hospital Commission As a result these costs are not reflected in the 1986 deficit and the 1985 amounts have been restated to remove this expenditure

5 Changes in Accounting Treatment

The 1985 financial statements were adjusted

a) by $65.523 to adjust depreciation charged in 1985 which was reversed to conform with Manitoba Health Services Commission funding

b) by $24.580 to adjust depreciation on capitalized items previously charged to expenditures

c) by $256.475 to adjust revenue and accounts receivable for the unfunded pension liability

Corporations:
Convention Centre
Winnipeg Enterprises

The Convention Centre Corporation

This Corporation carries on activities under the Convention Centre Act having for its purpose the construction, operation and promotion of a Convention Centre in the City of Winnipeg.

The Winnipeg Convention Centre, located in the block bounded by St. Mary and York Avenues, Carlton and Edmonton Streets, and built at a cost of $23.7 million officially opened its doors for business on January 15, 1975. It was one of the biggest events of its kind that any Canadian city had ever seen. Sixteen hundred performers entertained five thousand invited guests from all over North America in the traditional multi-cultural style for which Winnipeg is famous. After twelve years of operation, the facility has been the site of Provincial, Canadian and American national conventions and world congresses, together with major national and international trade shows, sporting activities, theatrical events and some of the largest sit-down dinners ever hosted under one roof in Canada. Since the facility opened over $225 million has been spent in Winnipeg by delegates attending conventions.

The Centre has 117,000 square feet of meeting and exhibition space, a 600-seat movie theatre, restaurants, stores, boutiques, underground parking for 520 cars and can handle 7,200 people for special events.

The main exhibition hall can be divided into two separate areas of 50,000 and 28,000 square feet by moving partition walls. This space is utilized for trade shows, the performing arts, festival-type shows, large conventions and dinners. A portable sports floor allows the centre to accommodate spectator sporting events. One of the hall's outstanding features is it's 2,500 seats on risers, which can be telescoped against the wall when not in use. The ground floor contains over 21,300 sq. ft. of meeting room space, for one enormous meeting room seating 2,500 people, theatre style. The area also divides into 13 separate meeting rooms and additional 6 private salons. A portable dance floor transforms the ground floor meeting room into a supper-dance banquet area for more than 1,700 people. A full service kitchen and cocktail lounge are also on this floor.

The second floor has a 600-seat theatre. The theatre is available to conventions, professional and trade groups and can be used for audio and visual presentations. The Shopping Plaza located on this floor comprises approximately 13,000 square feet of rental space occupied by a variety of shops, restaurants and services for the conventioner. The Garden Terrace Cafeteria, located on this floor, is operated by The Winnipeg Convention Centre. Renovations to the second floor, completed in 1986, provided an additional area in excess of 12,000 square feet of rental space for meetings, banquets, and private/public shows. This floor is connected by pedestrian crosswalks to the Holiday Inn and Lakeview Square.

The third floor has floor space equivalent to 70 average homes, is pillar free and has a 30 foot high open grid ceiling which can accommodate exhibits of up to fifty feet in height. Ramp access to the third floor loading dock allows up to 7 semi-trailers to unload simultaneously. The 21,000 square foot dock area may also be utilized expanding the total available space to almost 100,000 square feet on one floor.

The Centre has multi-lingual translation equipment capable of handling six languages simultaneously. It is wired for sound and closed circuit T.V. security, controlled from a central control room. Escalators and elevators provide adequate transportation between floors.

The Convention Centre is administered by a 13-member Board of Directors consisting of: 4 City Councillors, the Commissioner of Finance (or his designate) and eight citizen members appointed at large.

The Convention Centre Corporation
(Incorporated by Special Act under the laws of Manitoba)

Balance Sheet as at December 31, 1986

Assets

	1986	1985
CASH	$ 397,703	$ 696,913
ACCOUNTS RECEIVABLE	218,928	263,712
OPERATING GRANT RECEIVABLE, City of Winnipeg	541,231	—
CAPITAL IMPROVEMENT GRANT RECEIVABLE, Destination Manitoba	—	283,066
INVENTORY, at cost	159,225	106,132
PREPAID EXPENSES	65,860	65,902
	$1,382,947	$1,415,725

Liabilities and Surplus

	1986	1985
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	$ 611,533	$ 666,811
UNEARNED CAPITAL IMPROVEMENT GRANT, Destination Manitoba (Note 2)	187,759	—
CUSTOMER DEPOSITS	88,348	100,508
RESERVE FOR CAPITAL REPLACEMENTS (Note 3)	495,307	178,296
SURPLUS	—	470,110
	$1,382,947	$1,415,725

Commitments and Subsequent Event (Note 4)

Statement of Reserve for Capital Replacements

	1986	1985
Balance at beginning of year	$ 178,296	$ 127,097
Allocation for capital replacements	72,000	72,000
Appropriation from Surplus (Note 3)	562,457	—
	812,753	199,097
Capital replacements charged to reserve	318,839	63,129
	493,914	135,968
Proceeds from sale of equipment	1,393	42,328
BALANCE AT END OF YEAR	$ 495,307	$ 178,296

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

The Convention Centre Corporation
Statement of Revenue and Expenditure and Surplus

For the Year Ended December 31, 1986

	1986	1985
Operating revenue	$5,222,920	$5,195,697
Operating costs	1,998,320	2,046,541
	3,224,600	3,149,156
Operating grant, City of Winnipeg	1,041,231	750,000
	4,265,831	3,899,156
Expenditure		
Accounting and financial services	302,014	285,304
Administration	299,707	251,583
Allocation for capital replacements	72,000	72,000
Building maintenance	2,167,708	2,039,238
Event set-up	106,868	95,897
Food and beverage	197,095	229,296
Sales and promotion	580,243	449,443
Security	395,065	366,926
	4,120,700	3,789,687
	145,131	109,469
Reversal of pension plan accrual	—	178,143
Tenth year anniversary costs	—	(139,257)
	—	38,886
Revenue from Operations	145,131	148,355
Capital improvements, Destination Manitoba Grant		
Grant earned	79,175	283,066
Capital expenditure incurred	131,959	471,777
	(52,784)	(188,711)
EXCESS OF REVENUE (EXPENDITURE)	92,347	(40,356)
Surplus at beginning of year	470,110	510,466
	562,457	470,110
Appropriation to reserve for capital replacements (note 3)	562,457	—
SURPLUS AT END OF YEAR	$ —	$ 470,110

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

Auditor's Report

To the Members of
The Convention Centre Corporation

We have examined the balance sheet of The Convention Centre Corporation as at December 31, 1986 and the statements of revenue and expenditure and surplus and reserve for capital replacements for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Corporation as at December 31, 1986 and the results of its operations for the year then ended on the basis of accounting described in note 1 to the financial statements applied consistently with that of the preceding period.

Thorne Ernst & Whinney
Chartered Accountants

February 13, 1987
Winnipeg, Canada

The Convention Centre Corporation
Notes to Financial Statements

Year Ended December 31, 1986

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The accompanying financial statements are prepared in accordance with generally accepted accounting principles with the following exceptions:

(a) Fixed assets funded out of operations are not capitalized.

(b) The Corporation provides a reserve annually out of operations for future major capital replacements.

The construction of The Convention Centre was carried out by the City of Winnipeg. Under Section 9(1) of The Convention Centre Corporation Act, the ownership of The Convention Centre shall, on a date fixed by the Council of the City of Winnipeg, become vested in the Corporation.

2. UNEARNED CAPITAL IMPROVEMENT GRANT, DESTINATION MANITOBA

The Corporation has received approval for a grant from Destination Manitoba to fund 60% of the approved capital costs of eligible projects to a maximum grant of $600,000. To December 31, 1986 costs of $603,736 were expended (1986, $131,959; 1985, $471,777) with revenue recorded in the accounts at 60% of expended costs. At December 31, 1986 funds of $187,759 were received in excess of eligible costs incurred.

The Corporation may be required to repay any assistance received if it does not comply with the conditions of its agreement with Destination Manitoba. The Corporation expects to comply with all conditions of this agreement.

3. APPROPRIATION TO RESERVE FOR CAPITAL REPLACEMENTS

The Corporation had approved various projects in 1986 including renovation of second floor meeting rooms and parkade repairs. These expenditures, net of Destination Manitoba grant recovery, are committed to be undertaken in 1987 and are estimated at $348,000. As a result, the Board approved an appropriation of $562,457 to the reserve for capital replacements in 1986.

4. COMMITMENTS AND SUBSEQUENT EVENT

The Corporation will be commencing major parkade and other structural repairs during 1987 and has estimated these expenditures to be $2,000,000 of which at least $1,000,000 is anticipated to be incurred in 1987.

In February 1987, the City of Winnipeg approved capital funding to the Corporation of $2,000,000. The Corporation will be required to accept responsibility for all debt service and financing costs associated with this capital funding.

5. PENSION PLAN SERVICE CONTRIBUTION

A surplus existed in the pension plan at December 31, 1984, the most recent actuarial valuation. In 1985 the Board resolved that the surplus would be utilized to reduce the required employer current service contributions for the years 1985 to 1987 inclusive. The Corporation has reduced its pension expense in both 1986 and 1985 by approximately $58,000.

Winnipeg Enterprises Corporation

The Winnipeg Enterprises Corporation was incorporated on July 26, 1952, for the purpose of constructing, maintaining and operating, such facilities as now exist, namely the Winnipeg Stadium, Winnipeg Arena and Velodrome. On November 5, 1975, the Corporation was charged with the responsibility of the management and operation of The Highlander Sportsplex facility. The Corporation is carried on without the purpose of gain for its members. Any profits or other accretions to the Corporation are used in promoting its objects and no part of the income of the Corporation is payable to, or otherwise available for the personal benefit of, any member as such of the Corporation. The City of Winnipeg owns all of the lands on which these facilities stand and leases these lands to the Corporation for the sum of $1.00 per year. By virtue of certain agreements entered into between the Corporation and the City, the City is entitled to require the Corporation at any time on thirty days notice to convey to it all facilities and assets, funds, contracts and undertakings of the Corporation as a going concern and to turn over possession thereof to the City or its nominee without receiving any consideration therefor.

The objects of this Corporation are to carry on activities having for their purpose civic improvement, pleasure or recreation and be of a sporting or community character or the like, i.e., build, promote, establish, own, maintain, organize, operate, conduct, and manage an athletic stadium and other buildings and facilities for the conduct of sporting and other activities of all kinds.

The seating capacity of the above mentioned facilities are as follows, namely:

Winnipeg Stadium:	
Football	33,000
Winnipeg Arena	15,500
Velodrome	3,000

The affairs of the Corporation are administered by a Board of Directors consisting of 8 councillors, the Chief Commissioner of The City of Winnipeg and eight members appointed from the citizens at large for 2-year terms.

No person serving as a Director on the Board receives remuneration for their services.

During 1986 the sports facilities accommodated the professional National Hockey League Winnipeg Jets, the Winnipeg Blue Bombers football club, numerous minor league hockey, football, ice shows, curling, circuses, pro-wrestling, concerts, tractor pulls, exhibitions and arena cross. Total attendance of all events at the arena, stadium, curling club and velodrome approximated 1.7 million.

Winnipeg Enterprises Corporation
(Incorporated by Special Act of the Province of Manitoba)
Balance Sheet

As at May 31, 1986

Assets

	1986	1985
Current Assets		
Cash on hand and in bank	$ 49,473	$ 402,283
Accounts receivable	974,760	878,700
Inventory	24,995	26,091
Prepaid expenses	32,755	8,166
Total Current Assets	1,081,983	1,315,240
Deferred Receivable	706,750	738,750
Investment in Jets Hockey Ventures Ltd. (A Limited Partnership)	2,706,599	—
Fixed Assets — at cost		
The Winnipeg Stadium, Winnipeg Arena, Velodrome, The Highlander Sportsplex and all equipment	27,132,706	24,928,068
	$31,628,038	$26,982,058

Liabilities, Reserves and Surplus

	1986	1985
Current Liabilities		
Bank Loan	$ 23,000	$ 47,000
Accounts payable and accrued charges	412,553	247,684
Accrued debenture interest	266,430	150,613
Sinking fund payment due June 15	47,814	47,814
Unearned income	13,750	—
Reserves for major improvements	460,120	864,679
Long term debt payments due within one year	988,500	765,000
Total Current Liabilities	2,212,167	2,122,790
Long-Term Debt	8,302,363	5,934,029
Contributed Funds	21,052,335	18,804,273
Retained Surplus	61,173	120,966
	$31,628,038	$26,982,058

THE ACCOMPANYING NOTE IS AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

Winnipeg Enterprises Corporation
Statement of Revenue and Expenditures

For the Year Ended May 31, 1986

	1986	1985
Revenue	$4,153,440	$4,393,782
Expenses		
Maintenance and operating	1,607,102	1,730,981
Administration	497,716	444,494
	2,104,818	2,175,475
Revenue from operations	2,048,622	2,218,307
Interest on long-term debt	1,036,101	726,041
Revenue before appropriations	1,012,521	1,492,266
Appropriations for long term debt and major improvements	1,003,314	1,420,645
Revenue after appropriations	$ 9,207	$ 71,621

THE ACCOMPANYING NOTE IS AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

Auditors' Report

To the Chairman and Members of the Board
Winnipeg Enterprises Corporation

We have examined the balance sheet of Winnipeg Enterprises Corporation as at May 31, 1986 and the statements of revenue and expenses, reserves for major improvements, contributed funds and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

These financial statements are presented on the basis of accounting described in Note 1 to the financial statements which differs from generally accepted accounting principles followed in a commercial business.

In our opinion, subject to the foregoing, these financial statements present fairly the financial position of the Corporation as at May 31, 1986 and the results of its operations for the year then ended in accordance with the basis of accounting described in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Janzen, Knowles & Warkentin
Chartered Accountants

Winnipeg, Canada
July 4, 1986

Note to the Financial Statements

1. **Accounting Policies**:

Basis of Presentation

The accompanying financial statements are prepared in accordance with generally accepted accounting principles with the following exceptions:

a) The Corporation provides an appropriation annually out of operations for:
    i) payments to the sinking fund
    ii) principal payments on debentures
    iii) reserves for major improvements

b) Losses or gains on the disposition of assets are recorded through retained surplus.

c) No depreciation or amortization of fixed assets is recorded in the accounts.

d) The fixed assets of the Velodrome and The Highlander Sportsplex are recorded at cost, offset by amounts included in contributed funds. The Corporation manages and operates these facilities for The City of Winnipeg and is required to pay to The City of Winnipeg any surplus on each of their operations, less provisions to their respective reserves for major improvements. Deficits are recoverable from The City of Winnipeg.

e) Fixed assets purchased out of the reserves for major improvements are capitalized and credited to contributed funds.

f) Inventory is stated at the lower of cost or net realizable value calculated on a first in, first out basis.

Pension Funds

Employee Benefits Program — The City of Winnipeg

Effective the first pay period of 1976, a new Benefits Program providing pension and life insurance benefits was established for all employees of the City of Winnipeg other than employees of the Police Sector. A separate plan has been established for employees in the Police Sector.

Each employee of the City who is a member of an existing municipal pension plan was given the choice of continuing to accumulate benefits under the existing plan or of joining the new Benefits Program. All new employees become members of the new Program when they complete the eligibility requirements.

The new Employee Benefits Program is administered by an Employee Benefits Board of 11 persons and is comprised of five representatives of the members of the Program; an equal number of representatives appointed by City Council, at least two of which are members of Council and the others senior civic administrators or citizens experienced in the operation of other employee benefit programs; and the Commissioner of Finance or his designate who is a member of the Program.

Employees contribute 6½% of C.P.P. earnings plus 7½% of earnings in excess of C.P.P. earnings. The City contributes the amount required each year over and above the employees' contributions to provide the benefits expected to accumulate each year. The City's contribution is at least equal to the employees' required contributions.

The plan provides for optional retirement after five years of service and age 55, or 30 years of service. The pension formula is equal to 1.4% of average C.P.P. earnings for highest 6 of the final 10 years plus 2% of average earnings in excess of C.P.P. earnings for the same period, multiplied by the number of years of credited service after the date the Program is implemented.

Disability pensions are based on credited service at time of disability plus service to age 65, payable to employees who are totally or partially disabled. If the employee is totally disabled the pension from this Program plus pensions payable from a prior municipal plan and Canada Pension Plan will equal at least 60% of salary at date of disablement. Pensions are also payable to the survivors of employees who die prior to, or after retirement.

Pension Funds of Former Area Municipalities

CIVIC PENSION FUND OF THE FORMER CITY OF WINNIPEG

Until 1920 the City had no comprehensive pension scheme. The By-law in force at that time provided for the payment of certain pensions, but these were on a non-contributory basis. It was considered that a contributory scheme would be much sounder and should be inaugurated. By-law No. 10020 was accordingly passed in 1920 setting up a pension fund on a contributory basis. All matters arising out of this By-law were dealt with by a Committee of Council with the exception of the investments which were under the control of the Sinking Fund Trustees.

In 1936 By-law No. 14813 was passed and provided that in place of a Committee of Council administering the Fund, a Pension Board be constituted comprising five members—two Councillors appointed by Council, two elected representatives of the employees and a member of the Civic Pension Fund delegated by the Commissioner of Finance—and that the investment of the Fund continue to be under the control of the Sinking Fund Trustees.

On December 3, 1975, City Council passed By-law No. 1125/75 establishing the new "Employee Benefits Program" and contributors to the Civic Pension Plan were given the opportunity of joining the new program. Police Officers represented by the Winnipeg Police Association and by the Senior Police Officers Association elected to remain in the Police Sector of the Civic Pension Plan. Of the balance of contributors only 69 elected to continue to contribute to the Civic Pension Plan.

On December 17, 1980, Council passed By-law 2819/80 making the Civic Pension Plan benefits compatible with those of the Employee Benefits Program, with no significant effect on the liabilities of the Civic Pension Fund.

NEW POLICE PENSION FUND

On December 20, 1978, City Council passed By-Law No. 2148/78 establishing the new "Winnipeg Police Pension Plan." The provisions of the By-Law were retroactive to December 21, 1975. All police employees who were members of a prior municipal pension plan were required to become members of this Plan. All new police employees become members of this Plan when they complete the eligibility requirements. This Plan is presently being administered by the Police Pension Board which consist of 7 members - two appointed by Winnipeg Police Association - 1 member appointed by Winnipeg Senior Officers Association and 4 representatives appointed by the City.

Police employees contribute 7.305% of earnings. The City contributes the amount which is necessary each year, over and above the contributions required to be made by Contributing Members, to provide the benefits which are accumulated as a result of Service during that year. The Plan provides for retirement at age 60 and optional retirement after 25 years of service or at age 55 or older.

The pension formula for a retired employee age 65 or older is 1.4% of average Canada Pension Plan in the 60 consecutive months in which earnings are the highest, plus 2% of average earnings in excess of Canada Pension Plan earnings for the same period, multiplied by the number of years of credited service. While a retired employee is under age 65, 2% is substituted for 1.4% in determining the amount of pension payable.

METROPOLITAN CORPORATION OF GREATER WINNIPEG

This Pension Plan was established by By-Law #219 in 1962, but with retroactive provisions to January 1, 1961, the commencement date of the Metropolitan Corporation. The nucleus of the plan was the pension plan of the Greater Winnipeg Transit Commission. This in turn was an offshoot of a pension plan established in 1950 by the Winnipeg Electric Company. Provision was made in the Metro plan for employees transferred from area municipalities, or from predecessor organizations and who were members of pension plans of their former employers, to transfer to the Metro plan, or remain in their former plan, at their option. Funds of this plan are administered by Canada Trust.

Under the provisions of The City of Winnipeg Act which became effective on January 1, 1972, the Metro Employees' Pension Plan became the responsibility of the new City. On March 5, 1981, Council passed By-law 2859/81 making the Metro Employee's Pension Plan benefits compatible with those of the Employee Benefits Program with no significant effect on the liabilities of the Metro Pension Fund.

ST. BONIFACE

The former City of St. Boniface provided a non-contributory retirement pension of $1.00 per month per year of service to its retired employees until 1947. In 1947 the City entered into a pension agreement with the Annuities Branch of the Federal Government and offered an alternate contributory plan to its employees. The plan would provide a pension of $75.00 a month to the older permanent employees and $100.00 a month to the younger employees and all future employees, with the restriction that new employees entering the service at age 41 or older would not qualify for pension benefits. The contribution to the plan was a fixed amount and did not vary for the individual from the date of entry into the plan until retirement.

The rigidity of the above plan and the fixed maximum benefit that could be derived, proved unsatisfactory, and in 1957 the City negotiated a career earnings plan for its employees with Great-West Life. A unit of pension was purchased each year for each employee equivalent to 1½% of his annual salary with the employee contributing 5% of salary and the City contributing the premium required to purchase the unit.

On January 1st, 1971, after negotiating with employee groups, the City of St. Boniface agreed to convert the plan from a career earnings plan to a final earnings self-administered plan subject to the employees waiving all rights in the former plan and releasing Great-West Life from the liability of guaranteeing pensions after their retirement. The assets of the former plan were transferred to the control of a Civic Pension Committee which is composed of a) a Councillor of the Community of St. Boniface, b) a citizen appointee recommended by the Community of St. Boniface, and c) a designate of the Commissioner of Finance who is a contributor to the Plan. The new plan provides a pension which is a percentage of the average best ten years of service of the employee and the percentage is 1¼% of his final average annual Canada Pension Plan earnings and 1¾% of his final average annual non-Canada Pension Plan earnings. The normal retirement of the employee is age 65, but he may retire on the first day of any month prior to his normal retirement if he has completed 30 years of service and is age 60 or older. On the basis of qualified actuarial advice the City will contribute annually into the fund, the amount necessary over and above the member's contributions to provide the benefits earned under the Plan during the year.

On December 17, 1980, Council passed By-law 2819/80 making the St. Boniface Employees' Pension Plan benefits compatible with those of the Employee Benefits Program with no significant effect on the liabilities of the St. Boniface Pension Fund.

ST. JAMES-ASSINIBOIA

On May 1, 1951 the City of St. James established a Pension Plan for its employees by entering into a group annuity contract issued by Great-West Life.

On January 1, 1962 the Rural Municipality of Assiniboia established a Pension Plan for its employees by entering into a contract with Manufacturers Life.

In 1971 the council of the former City of St. James-Assiniboia agreed to convert the Pension Plan for the employees of the City from a Group Annuity Policy issued by Great-West Life to a Group Deposit Administration Contract issued by Great-West Life. The new Contract was signed September 1972. All of the former City of St. James employees agreed to transfer to the new plan whereas the majority of the R.M. of Assiniboia employees decided to continue on with Manufacturers Life.

On December 17, 1980, Council passed By-law 2819/80 making the St. James-Assiniboia Pension Plan benefits compatible with those of the Employee Benefits Program with no significant effect on liabilities of the pension fund.

FORT GARRY

In 1948, the former Rural Municipality of Fort Garry entered into a pension agreement with the Annuities Branch of the Federal Government to provide the employees of the former Municipality with pensions of up to $100 per month on retirement.

In 1959, the former Municipality introduced a career earnings pension plan for its employees, funded through a group annuity policy issued by Great-West Life.

In 1971, the pension benefits earned for service completed prior to that year were significantly increased as was the rate at which the employees would accumulate pension in respect of future service. At the same time, the group annuity policy was converted to a deposit administration policy.

On December 17, 1980, Council passed By-law 2819/80 making the Fort Garry employees pension plan benefits compatible with those of the Employee Benefits Program with no significant effect on liabilities of the pension fund.

OTHER FORMER AREA MUNICIPALITIES AND MONEY PURCHASE PLAN

All the other former area municipalities had established pension plans for their employees. The pensions provided under these plans are determined in accordance with one of the following methods:

(a) The pension which can be provided by the accumulated value of the contributions made by the employee and by the employer on his behalf

(b) A pension which is based on a percentage of the employee's earnings while he is a member of the Plan.

On December 17, 1980, Council passed By-law 2819/80 referred to as money purchase plan, making the former area municipalities pension plan benefits compatible with those of the Employee Benefits Program with no significant effect on liabilities of those pension funds.

The conversion of the former area municipalities' pension plans to investment only contracts within money purchase plan, is complete except for former municipality of Assiniboia.

COUNCIL MEMBERS' PENSION FUND OF THE FORMER CITY OF WINNIPEG

City Council on November 3, 1969 passed By-law No. 19713 which provided for the establishment of a pension fund for Members of Council effective November 1, 1969. The plan was voluntary for persons who were Members of Council on the effective date and compulsory for Members who were elected to Council thereafter. The Council of the new City of Winnipeg by motion passed at a meeting held on February 16, 1972 discontinued the plan effective January 1, 1972 except for pensions payable to former Councillors who were already receiving pensions and Councillors who had qualified for pensions under the terms of the By-Law prior to discontinuance of the Plan.

At present 7 former members of Council and 3 widows of former members are receiving pensions.

PENSION PLAN AND GROUP INSURANCE PLAN FOR MEMBERS OF COUNCIL

By-law 3553/83 and By-law 3689/84 being By-laws of the City of Winnipeg to provide for a Pension Plan and Group Life Insurance Plan for Members of Council of the City of Winnipeg became effective August 17, 1983.

The City of Winnipeg
Employee Benefits Program Pension Fund
Balance Sheet

As at December 31, 1986

Assets

	Market Value	1986	1985
Investments (Notes 1a-c) - Schedule A	$490.007.271	$421.825.265	$350.734.671
Cash in Bank		—	522.973
Accounts Receivable		945.420	762.968
Due from Other Funds		1.919.777	436.155
		2.865.197	1.722.096
		$424.690.462	$352.456.767

Liabilities

	1986	1985
Employees' Pension Reserve—Regular	$348.058.055	$290.977.766
—Supplementary	51.571.279	43.390.146
—Firefighters Supplementary	4.897.850	3.248.911
—Designated Supplementary	19.152.821	13.628.103
	423.680.005	351.244.926
Bank Overdraft	96.241	—
Accounts Payable	914.216	1.211.841
	$424.690.462	$352.456.767

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

Auditor's Report

To The Chairman and Members
Employee Benefits Board
The City of Winnipeg

I have examined the balance sheet of the Employee Benefits Program Pension Fund as at December 31, 1986 and the statements of income and expenditures and of changes in reserve for the Regular and Supplementary Pension Funds for the year then ended. My examination of the financial statements was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances. I have obtained all the information and explanations I have required.

In my opinion, these financial statements present fairly the financial position of the Employee Benefits Program Pension Fund as at December 31, 1986 and the results of its operations for the year then ended in accordance with the accounting policies stated in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Winnipeg, Manitoba
September 4, 1987

Chartered Accountant
and City Auditor

The City of Winnipeg
Employee Benefits Program Pension Fund
Statement of Income and Expenditures

For the Year Ended December 31, 1986

	REGULAR PENSION FUND		SUPPLEMENTARY PENSION FUND		DESIGNATED EMPLOYEE'S SUPPLEMENTARY BENEFITS FUND		FIREFIGHTERS SUPPLEMENTARY PENSION FUND	
Income	1986	1985	1986	1985	1986	1985	1986	1985
Contributions —								
The City of Winnipeg (Note 3)	$ 13.692.516	$ 13.266.555	$ 2.428.235	$ 2.331.166	$ 6.168.917	$ 4.999.521	$ 1.677.214	$ 754,000
Employees	14,016.971	13.896.691	2.428.377	2.331.166	340.707	742.643	10.067	16.771
	27.709.487	27.163.246	4.856.612	4.662.332	6.509.624	5.742.164	1.687.281	770.771
Investment Revenue (Note 1d. e)	29.988.013	25.846.484	5.321.081	4.546.841	1.271.367	866.250	308.720	250.503
Net Gain on Sale of Securities	10.362.071	7.105.886	1.838.648	1.250.048	438.746	238.342	106.538	68.924
Recoveries (Note 1f)	296.545	249.677	—	—	—	—	—	—
	68.356.116	60.365.293	12.016.341	10.459.221	8.219.737	6.846.756	2.102.539	1.090.198
Expenditures								
Administration (Note 1g)	1.037.186	733.542	131.419	85.120	60.847	41.327	11.097	28.918
Investment Management Fees (Note 1d)	671.688	532.154	119.185	94.442	28.668	18.081	6.961	5.229
Pension Payments	8.049.310	6.455.332	3.288.312	2.519.073	2.668.142	1.876.614	454.542	334.653
Contributions and Interest Refunded	1.403.643	1.342.001	296.292	204.938	32.362	—	—	10.800
	11.161.827	9.063.029	3.835.208	2.903.573	2.790.019	1.936.022	472.600	379.600
Net Income	$ 57.194.289	$ 51.302.264	$ 8.181.133	$ 7.555.648	$ 5.429.718	$ 4.910.734	$ 1.629.939	$ 710.598

Statement of Changes in Reserve

For the Year Ended December 31, 1986

	1986	1985	1986	1985	1986	1985	1986	1985
Opening Balance	$290.977.766	$240.606.502	$ 43.390.146	$35.943.498	$13,628.103	$ 7.847.369	$ 3.248.911	$2.368.313
ADD: Net Income	57.194.289	51.302.264	8.181.133	7.555.648	5.429.718	4.910.734	1.629.939	710.598
Transfer (Note 2)	—	—	—	—	95.000	870.000	19.000	170.000
DEDUCT: Transfer (Note 2)	114.000	931.000	—	109.000	—	—	—	—
Closing Balance	$348.058.055	$290.977.766	$51.571.279	$43.390.146	$19.152.821	$13.628.103	$ 4.897.850	$3.248.911

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

The City of Winnipeg
Employee Benefits Program Pension Fund
Notes to the Financial Statements

December 31, 1986

1. **Significant Accounting Policies**
   a) The equity funds are recorded at cost. The assets are adjusted by the realized gains or losses.
   b) Fixed income investments are carried at the lower of cost or par value. Any premiums paid on the purchase of these investments are written off to the income account in the year of purchase.
   c) Bond residues and coupons are carried at cost plus income. Income is calculated by multiplying the book value of the investments by the effective yield of the investment.
   d) Investment income and expenses are allocated between Regular and Supplementary Pension Reserve accounts on the basis of contributions received by each fund.
   e) Investment revenue in the Firefighters and Designated Employees' Supplementary account is determined by using the gross rate of return against the average of the account investments.
   f) Recoveries are those administration costs incurred for prior plans.
   g) Internal administration costs are apportioned to each of the funds.
   h) The funds follow the accrual method of accounting.

2. By-law #4064/85 provides for a transfer of funds from the Regular Funds to the Designated Employees' and Firefighters' Supplementary Funds as a result of changing the average from a 7 to 6 year average for service from January 1, 1972 to December 31, 1985.

3. The required actuarial report was prepared as at December 31, 1985, stated that the regular account has a surplus of $19,325,000 and that the Supplementary Account had a surplus of $7,860,000. The Firefighters and Designated Employees Supplementary Accounts have an unfunded liability of $9,227,000 for firefighters and $41,628,000 for Designated Employees. These unfunded liabilities must be paid by The City of Winnipeg in the amount of $1,544,000 per year until 1990 for Firefighters and $5,172,000 per year until 1990 for designated Employees. From 1991 to December 21, 2000 the payment will reduce to $754,000 for Firefighters and to $4,999,000 for Designated Employees. The City is also required to contribute towards current service cost. The past service and current service cost for both accounts during 1986 was $7,778,000.

4. The rate of return on investments was as follows:

	1986	1985
Investment Revenue	10.20%	10.54%
Net Gain on Sale of Securities	3.52	2.90
	13.72%	13.44%
Less Investment Fees	.23	.22
Net	13.49%	13.22%

The City of Winnipeg
Employee Benefits Program Group Insurance Fund
Balance Sheet

As at December 31, 1986

Assets

	Market Value	1986	1985
Assets with The Sinking Fund Trustees (Note 1)	$9,971,952	$9,175,576	$7,679,691
Other Assets			
Due from Employee Benefits Program Pension Fund		—	137,423
		$9,175,576	$7,817,114

Liabilities

	1986	1985
Employee Benefits Program Insurance Reserve (Note 2)	$8,302,589	$7,724,180
Police Employees Insurance Reserve (Note 3)	745,311	—
Due to Employee Benefits Program Pension Fund	16,129	—
Prepaid Insurance Contributions (Note 1(b))	111,547	92,934
	$9,175,576	$7,817,114

Statement of Income and Expenditures

For The Year Ended December 31, 1986

	1986	1985
Income		
Contributions		
The City of Winnipeg	$1,474,335	$1,436,302
Employees — Regular	1,478,425	1,407,260
— Additional	244,319	213,504
Other	89,469	117,984
	3,286,548	3,175,050
Investment Revenue	909,135	679,832
Net Loss on Sale of Securities	(3,250)	(1,250)
	4,192,433	3,853,632
Expenditures		
Premiums — Regular	2,812,142	2,550,168
— Additional	233,580	201,972
Investment Fees	1,052	4,121
Administration Expenses	61,490	52,240
Contributions Refunded	1,485	1,063
	3,109,749	2,809,564
Net Income	$1,082,684	$1,044,068

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

Auditor's Report

To The Chairman and Members
Employee Benefits Program
The City of Winnipeg

I have examined the balance sheet of the Employee Benefits Program Group Insurance Fund as at December 31, 1986 and the statements of income and expenditures and changes in reserve for the year then ended. My examination of these financial statements was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances. I have obtained all the information and explanations I have required.

In my opinion, these financial statements present fairly the financial position of the Group Insurance Fund as at December 31, 1986 and the results of its operations for the year then ended in accordance with accounting policies stated in the notes to the financial statements, applied on a basis consistent with that of the preceding year.

Chartered Accountant
and City Auditor

LE Marks

Winnipeg, Manitoba
July 16, 1987

The City of Winnipeg
Employee Benefits Program Group Insurance
Statement of Changes in Reserve

For the Year Ended December 31, 1986

	1986	1985
Opening Balance	$7,724,180	$5,368,920
ADD: Net Income	1,082,684	1,044,068
Experience Gain	241,036	1,311,192
DEDUCT: Transfer to Police Employees Insurance Reserve	(745,311)	—
Closing Balance	$8,302,589	$7,724,180

Police Employees Insurance
Statement of Changes in Reserve

For the Year Ended December 31, 1986

	1986	1985
Opening Balance	$ —	$ —
ADD: Transfer from Employee Benefits Program	745,311	—
Closing Balance	$ 745,311	$ —

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

Notes to the Financial Statements

1. **Significant Accounting Policies.**
   a) Investments are carried at the lower of cost or par value. Any premiums paid on the purchase of investments are written off to the revenue account in the year of purchase. When investments are sold or mature, the difference between carrying value and proceeds is written off or credited to the revenue account at that time.

   b) Prepaid Insurance Contributions represent an estimate of contributions by temporary employees and the City to provide coverage during lay-offs.

2. The Group Insurance Reserve Account may be considered as a reserve to finance a portion of the cost of the post-retirement insurance expected to be provided in the future to the present members of the Group Life Insurance Plan.

   The Group Insurance Reserve is the excess of contributions and interest earned over insurance policy premiums and administrative expenses. The Reserve also includes experience gain which consists of the excess of premiums over claims paid for 1985 and prior years.

3. The Employee Benefits Board agreed to transfer, effective December 31, 1986, to the Police Pension Board an appropriate share of insurance funds to cover police employees. A separate insurance fund is maintained for police employees. The Police Pension Board has accepted responsibility for this fund.

4. The Actuarial Report prepared as at December 31, 1985 states that the net present value of excess of future benefits over future contributions for all members is $2,253,000.

5. The Rate of Return on Investments.

	1986	1985
Investment Revenue	11.30%	10.91%
Net Loss on Sale of Securities	.04	.02
	11.26	10.89
LESS Investment Fees	.01	.07
NET	11.25%	10.82%

The City of Winnipeg
Civic Pension Fund
Balance Sheet

As at December 31, 1986

Assets

	Market Value	1986	1985
Assets with Sinking Fund Trustees (Note 1 a & b)			
Schedule I	$144,066,515	$129,134,755	$115,500,493
Short Term Investments	1,075,000	1,075,000	5,300,000
Accrued Interest	1,176,299	1,176,299	1,426,902
Cash in Bank	101,764	101,764	80,643
	146,419,578	131,487,818	122,308,038
Assets with Great West Life			
Transaction Account	8,699	8,699	75
	$146,428,277	$131,496,517	$122,308,113

Liabilities

	1986	1985
Employees' Pension Reserve	$130,442,565	$122,135,618
Due to Employee Benefits Program Pension Fund	1,053,952	172,495
	$131,496,517	$122,308,113

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

Auditor's Report

To The Chairman and Members
Civic Pension Board

I have examined the balance sheet of the Civic Pension Fund as at December 31, 1986 and the statement of income and expenditures and changes in reserve for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances. I have obtained all the information and explanations I have required.

In my opinion, these financial statements present fairly the financial position of the Civic Pension Fund as at December 31, 1986 and the results of its operations for the year then ended in accordance with the policies stated in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Chartered Accountant
and City Auditor

Winnipeg, Manitoba
July 2, 1987

The City of Winnipeg
Civic Pension Fund
Statement of Income and Expenditures

For the Year Ended December 31, 1986

	1986	1985
Income		
Contributions		
The City of Winnipeg (Note 2)	$ 37,028	$ 1,570,454
Employees	38,642	44,847
	75,670	1,615,301
Investment Revenue	12,868,263	11,198,088
Net Gain on Sale of Securities	3,352,854	2,779,706
	16,296,787	15,593,095
Expenditures		
Administration	159,626	86,930
Investment Fees	281,468	225,273
Pension Payments	7,485,830	6,781,030
Contributions and Interest Refunded	62,916	225,003
	7,989,840	7,318,236
NET INCOME	$ 8,306,947	$ 8,274,859

Statement of Changes in Reserve

For the Year Ended December 31, 1986

	1986	1985
Opening Balance	$122,135,618	$113,860,759
ADD Net Income	8,306,947	8,274,859
Closing Balance	$130,442,565	$122,135,618

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

Notes to the Financial Statements

1. **Significant Accounting Policies**
   - a. Fixed income investments are carried at the lower of cost or par value. Any premiums paid on the purchase of investments are written off to the income account in the year of purchase.
   - b. Bond residues and coupons are carried at cost plus accrued income. Income is recognized at the effective yield rate on these investments.
   - c. The fund follows the accrual method of accounting.
2. The Actuarial report prepared as at December 31, 1985 disclosed that there was no actuarial surplus or unfunded liability. This was a significant change from prior valuation which required the City of Winnipeg to make unfunded liability payments of $1,525,824 a year.
3. The rate of return on investments:

		1986	1985
Investment Revenue		10.84%	10.08%
Net Gain on Sale of Securities		2.82	2.50
		13.66	12.58
LESS	Investment Fees	.24	.20
Net		13.42%	12.38%

The City of Winnipeg
Winnipeg Police Pension Fund
By-Law 2148/78
Balance Sheet

As at December 31, 1986

Assets

	Market Value	1986	1985
Assets with The Sinking Fund Trustees (Note 1 a & b)	$124,337,577	$109,503,215	$89,483,195
Short Term Investments	875,000	875,000	4,675,000
Accrued Interest	1,158,835	1,158,835	1,339,710
Cash in Bank	123,155	123,155	44,676
	126,494,567	111,660,205	95,542,581
Assets with Great West Life Transaction Account	354,242	354,242	22,857
Assets with Citadel Life Money Market Fund	303,846	303,846	280,253
Assets with North American Life Deposit Fund	147,808	147,808	132,139
	$127,300,463	$112,466,101	$95,977,830

Liabilities

	1986	1985
Employees' Pension Reserve - Regular	$105,910,670	$91,357,930
- Supplementary	5,729,026	4,477,272
	111,639,696	95,835,202
Due to Employee Benefits Program Pension Fund	259,405	142,628
Accounts Payable	567,000	—
	$112,466,101	$95,977,830

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

Auditor's Report

To The Chairman and Members
Police Pension Board

I have examined the balance sheet of the Winnipeg Police Pension Fund, By-Law 2148/78 as at December 31, 1986 and the statement of income and expenditures and changes in reserve for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances. I have obtained all the information and explanations I have required.

In my opinion, these financial statements present fairly the financial position of the Winnipeg Police Pension Fund, By-Law 2148/78 as at December 31, 1986 and the results of its operations for the year then ended in accordance with accounting policies stated in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

LG Marks

Chartered Accountant
and City Auditor

Winnipeg, Manitoba
July 28, 1987

The City of Winnipeg
Winnipeg Police Pension Fund
By-Law 2148/78
Statement of Income and Expenditures

For the Year Ended December 31, 1986

	Regular Pension Fund		Supplementary Pension Fund	
	1986	1985	1986	1985
Income				
Contributions—				
The City of Winnipeg (Note 2)	$ 2.356.925	$ 3.040.146	$ 333.990	$ 324.660
Employees	3.054.120	3.130.715	334.036	324.660
	5.411.045	6.170.861	668.026	649.320
Investment Revenue (Note 1d and 4)	10.288.735	8.968.978	532.009	417.600
Net Gain on Sale of Securities	2.327.007	1.789.381	120.301	83.079
	18.026.787	16.929.220	1.320.336	1.149.999
Expenditures				
Administration	92.490	48.745	11.431	5.555
Investment Fees	205.061	165.731	25.345	18.886
Pension Payments	2.938.849	2.490.696	10.285	5.401
Contributions and Interest Refunded	237.647	84.457	21.521	6.504
	3.474.047	2.789.629	68.582	36.346
NET INCOME	$ 14.552.740	$14.139.591	$1.251.754	$1.113.653

Statement of Changes in Reserve

For the Year Ended December 31, 1986

	Regular Pension Fund		Supplementary Pension Fund	
	1986	1985	1986	1985
Opening Balance	$ 91.357.930	$77.218.339	$4.477.272	$3.363.619
ADD Net Income	14.552.740	14.139.591	1.251.754	1.113.653
Closing Balance	$105.910.670	$91.357.930	$5.729.026	$4.477.272

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

The City of Winnipeg
Winnipeg Police Pension Fund
By-Law 2148/78
Notes to the Financial Statements

December 31, 1986

1. **Significant Accounting Policies**
   - a) Fixed income investments are carried at the lower of cost or par value. Any premiums paid on the purchase of investments are written off to the income account in the year of purchase.
   - b) Bond residue and coupons are carried at cost plus income. Income is calculated by multiplying the book value of the investment by the effective yield of the investment.
   - c) The fund follows the accrual method of accounting.
   - d) Investment revenue is allocated between Regular and Supplementary Pension Reserve accounts using the rate of return earned on the average investments held.
2. The Actuarial report prepared as at December 31, 1985 disclosed that there was no actuarial surplus or unfunded liability. This was a significant change from prior valuation which required unfunded liability payments. The City of Winnipeg is not required to match contributions and has contributed only at the rate of 81% of employee contributions.
3. A Police Supplementary Fund was established January 1, 1980 to provide for cost of living increases.
4. The rate of return on investments is as follows:

		1986	1985
Investment Revenue		11.10%	11.36%
Net Gain on Sale of Securities		2.51	2.26
		13.61	13.62
LESS	Investment Fees	.24	.22
Net		13.37%	13.40%

The City of Winnipeg
Police Pension Fund
Balance Sheet

As at December 31, 1986

Assets

	1986	1985
Assets with The Sinking Fund Trustees — at cost		
Call Loans—City of Winnipeg	$ —	$ 3,000
Cash	—	533
Due from Employee Benefits Program	1,677	—
	$ 1,677	$ 3,533

Liabilities

	1986	1985
Pension Reserve (Note)	$ 1,677	$ 2,298
Accounts Payable	—	1,235
	$ 1,677	$ 3,533

Statement of Reserve

For the Year Ended December 31, 1986

	1986	1985
Opening Balance	$ 2,298	$ 5,674
ADD		
Investment Income	246	356
LESS Administration Expenses	650	1,300
Net Change	(404)	(944)
Amount Available for Pension Purposes	1,894	4,730
DEDUCT		
Pension Payments	217	2,432
Closing Balance (Note)	$ 1,677	$ 2,298

NOTE: The final qualifying member of the plan died on March 14, 1986. The Fund will be officially terminated upon payment of the remaining assets to the City of Winnipeg. This is expected to transpire in 1987.

Auditor's Report

To the Mayor and Members
of City Council
The City of Winnipeg

I have examined the balance sheet of The City of Winnipeg, Police Pension Fund as at December 31, 1986 and the statement of reserve for the year then ended. My examination of the pension reserve and assets and liabilities was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances. I have obtained all the information and explanations I have required.

In my opinion, these financial statements present fairly the financial position of The City of Winnipeg, Police Pension Fund as at December 31, 1986, and the changes in statement of reserve for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

LE Marks

Chartered Accountant
and City Auditor

Winnipeg, Manitoba
June 26, 1987

The City of Winnipeg
Metro Employees' Pension Fund
Balance Sheet

As at December 31, 1986

Assets

	Market Value	1986	1985
Assets with Canada Trust Investment Counsel Inc.			
Per Schedule I (Note 1)	$88,641,256	$76,623,564	$67,047,418
Accrued Income	1,092,204	1,092,204	1,249,136
	$89,733,460	77,715,768	68,296,554
Other Assets			
Accounts Receivable		605	2,319
		$77,716,373	$68,298,873

Liabilities

	1986	1985
Employees' Pension Reserve	$77,080,613	$68,062,850
Due to Employee Benefits Program Pension Fund	607,465	208,811
Accounts Payable	28,295	27,212
	$77,716,373	$68,298,873

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

Auditor's Report

To The Chairman and Members
Metro Employees' Retirement Committee

I have examined the balance sheet of The City of Winnipeg, Metro Employees' Pension Fund as at December 31, 1986 and the statements of income and expenditures and of changes in reserve account for the year then ended. My examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as I considered necessary in the circumstances. I have obtained all the information and explanations I have required.

In my opinion, these financial statements present fairly the financial position of The City of Winnipeg, Metro Employees' Pension Fund as at December 31, 1986 and the results of its operations for the year then ended, in accordance with accounting policies as stated in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

L E Marks

Winnipeg, Manitoba
June 25, 1987

Chartered Accountant
and City Auditor

The City of Winnipeg
Metro Employees' Pension Fund
Statement of Income and Expenditures

For the Year Ended December 31, 1986

	1986	1985
Income		
Contributions		
The City of Winnipeg	$ 11.141	$ 10.529
Employees	11.141	10.529
	22.282	21.058
Investment Revenue	5.062.052	5.426.203
Net Gain on Sale of Securities	7.334.124	1.401.806
	12.418.458	6.849.067
Expenditures		
Administration	83.590	52.031
Investment Fees	149.925	106.180
Pension Payments	3.155.147	2.688.245
Contributions and Interest Refunded	12.033	20.821
	3.400.695	2.867.277
NET INCOME	$ 9.017.763	$ 3.981.790

Statement of Changes in Reserve

For the Year Ended December 31, 1986

	1986	1985
Opening Balance	$68.062.850	$64.081.060
ADD: Net Income	9.017.763	3.981.790
Closing Balance	$77.080.613	$68.062.850

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

Notes to the Financial Statements

1. **Significant Accounting Policies**
   a. Investments are recorded at cost.
   b . The fund follows the accrual method of accounting.
2. The actuarial report prepared as at December 31, 1985 disclosed an actuarial surplus of $7.383.000
3. The rate of return on investments was as follows:

	1986	1985
Investment Revenue	7.59%	8.62%
Net Gain on Sale of Securities	11.00	2.22
	18.59	10.84
LESS: Investment Fees	.22	.17
Net	18.37%	10.67%

The City of Winnipeg St. Boniface Pension Fund Balance Sheet

As at December 31, 1986

Assets

	Market Value	1986	1985
Assets with Great-West Life (Note 1)			
Mortgage Fund	$2.416.728	$2.283.695	$6.405.326
Canadian Equity Fund	1.222.929	1.222.929	—
U.S. Equity Fund	597.840	597.840	—
Real Estate Fund	287.621	287.621	—
Bond Fund	3.041.231	3.025.221	—
Deposit Fund	1.018	1.018	9.638
Money Market Fund	232.723	232.723	426.217
Transaction Account	4.587	4.587	3.906
	$7.804.677	$7.655.634	$6.845.087

Liabilities

	1986	1985
Employees' Pension Reserve	$7.538.203	$6.799.310
Accounts Payable	53.631	45.777
Due to Employee Benefits Board	63.800	—
	$7.655.634	$6.845.087

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

Auditor's Report

To The Chairman and Members
St. Boniface Pension Committee

I have examined the balance sheet of The City of Winnipeg. St. Boniface Pension Fund as at December 31. 1986 and the statement of income and expenditures and of changes in reserve for the year then ended. My examination was made in accordance with generally accepted auditing standards. and accordingly included such tests and other procedures as I considered necessary in the circumstances. I have obtained all the information and explanations I have required.

In my opinion. these financial statements present fairly the financial position of The City of Winnipeg.St. Boniface Pension Fund as at December 31. 1986 and the results of its operations for the year then ended. in accordance with the accounting policies stated in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

LE Marks

Chartered Accountant
and City Auditor

Winnipeg. Manitoba
June 25. 1987

The City of Winnipeg
St. Boniface Pension Fund
Statement of Income and Expenditures

For the Year Ended December 31, 1986

	1986	1985
Income		
Contributions		
The City of Winnipeg — (Note 2)	$ —	$ 63,800
Investment Revenue	750,604	762,048
Gain on Sale of Securities	252,947	3,507
Experience Refund	312	—
	1,003,863	829,355
Expenditures		
Administration	10,290	7,324
Investment Fees	32,492	32,670
Pension Payments	218,635	188,182
Contributions and Interest Refunded	3,553	—
	264,970	228,176
Net Income	$ 738,893	$ 601,179

Statement of Changes in Reserve

For the Year Ended December 31, 1986

	1986	1985
Opening Balance	$6,799,310	$6,198,131
ADD · Net Income	738,893	601,179
Closing Balance	$7,538,203	$6,799,310

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

Notes to the Financial Statements

1. **Significant Accounting Policies**
   a. The Mortgage Fund, the Bond Fund and Deposit Funds are recorded at cost. The Money Market Fund, Canadian & U.S. Equity Fund and Real Estate Fund are recorded at cost with adjustment to reflect the gain in market value. Gains in market value which were taken into investment income totalled $64,649 for 1986 as compared to $15,448 in 1985. The Transaction Account records cash transfers, revenue and operating expenses by Great-West Life.
   b. The fund follows the accrual method of accounting.
2. An actuarial report prepared as at December 31, 1985 disclosed that there is no actuarial unfunded liability or acturial surplus. The previous unfunded liability annual payment required from the City of Winnipeg was terminated as at January 1, 1986.
3. The rate of return on investments was as follows:

		1986	1985
Investment Revenue		11.16%	12.42%
Gain on Sale of Securities		3.76	.05
		14.92%	12.47%
LESS	Investment Fees	.48	.53
NET		14.44%	11.94%

The City of Winnipeg
St. James-Assiniboia Pension Fund
Balance Sheet

As at December 31, 1986

Assets

	Market Value	1986	1985
Assets in Trust with Great-West Life (Note 1)			
Mortgage Fund	$1,337,763	$1,263,211	$4,603,639
Real Estate Fund	452,851	452,851	234,215
Canadian Equity Fund	2,010,512	2,010,512	1,540,815
U.S. Equity Fund	915,880	915,880	—
Money Market Fund	30,928	30,928	277,151
Deposit Fund	—	—	25,659
Bond Fund	5,182,890	5,009,403	2,066,722
Transaction Account	3,681	3,681	120,648
	$9,934,505	9,686,466	8,868,849
Accounts Receivable		239	1,774
		$9,686,705	$8,870,623

Liabilities

	1986	1985
Employees' Pension Reserve	$9,612,834	$8,821,105
Due to Employee Benefits Program Pension Fund	73,871	49,518
	$9,686,705	$8,870,623

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

Auditor's Report

To The Chairman and Members
St. James-Assiniboia Pension Committee

I have examined the balance sheet of The City of Winnipeg, St. James-Assiniboia Pension Fund as at December 31, 1986 and the statements of income and expenditures and of changes in reserve for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances. I have obtained all the information and explanations I have required.

In my opinion, these financial statements present fairly the financial position of The City of Winnipeg, St. James-Assiniboia Pension Fund as at December 31, 1986 and the results of its operations for the year then ended, in accordance with the accounting policies stated in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

LE Marks

Chartered Accountant
and City Auditor

Winnipeg, Manitoba
June 25, 1987

The City of Winnipeg
St. James-Assiniboia Pension Fund
Statement of Income and Expenditures

For the Year Ended December 31, 1986

	1986	1985
Income		
Contributions		
The City of Winnipeg	$ 8,698	$ 122,578
Employees	8,698	8,579
	17,396	131,157
Investment Revenue	924,492	1,071,487
Gain on Sale of Securities	197,763	89,741
	1,139,651	1,292,385
Expenditures		
Administration	13,644	10,263
Investment Fees	29,869	37,200
Pension Payments	295,692	244,384
Contributions and Interest Refunded	8,716	19,064
	347,921	310,911
Net Income	$ 791,730	$ 981,474

Statement of Changes in Reserve

For the Year Ended December 31, 1986

	1986	1985
Opening Balance	$8,821,104	$7,839,630
ADD Net Income	791,730	981,474
Closing Balance	$9,612,834	$8,821,104

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

Notes to the Financial Statements

1. **Significant Accounting Policies**
   a. The Mortgage Fund and Bond Fund are recorded at cost. The Canadian Equity Fund, U.S. Equity Fund, Real Estate Fund and Money Market Fund are recorded at cost with adjustment to reflect the gain in market value. Gains in market value totalling $211,031 from these three funds were taken into investment income in 1986. In 1985 the total gain was $245,899. The Transaction Account records cash transfers, revenue and operating expenses by Great-West Life.
   b. The fund follows the accrual method of accounting.
2. An Actuarial report prepared as at December 31, 1985 disclosed that the fund had no unfunded actuarial liability or a surplus. The previous actuarial report which required an experience deficiency payment of $114,000 annually from the City of Winnipeg is no longer required.
3. The rate of return on investments was as follows:

	1986	1985
Investment Revenue	10.64%	13.89%
Gain on Sale of Investment	2.28	1.16
	12.92	15.05
LESS Investment Fees	.34	.48
NET	12.58%	14.57%

The City of Winnipeg
Fort Garry Pension Fund
Balance Sheet

As at December 31, 1986

Assets

	Market Value	1986	1985
Assets with Great-West Life (Note 1)			
Mortgage Fund	$1,189,045	$1,082,605	$1,077,427
Money Market Fund	342,084	342,084	36,151
Deposit Fund	—	—	173,167
Transaction Account	6,386	6,386	4,924
	$1,537,515	1,431,075	1,291,669
Accounts Receivable		433,252	—
		$1,864,327	$1,291,669

Liabilities

	1986	1985
Employees' Pension Reserve	$1,850,219	$1,278,055
Accounts Payable	14,108	13,614
	$1,864,327	$1,291,669

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

Auditor's Report

To The Chairman and Members
Employee Benefits Board
The City of Winnipeg

I have examined the balance sheet of The City of Winnipeg, Fort Garry Pension Fund as at December 31, 1986 and the statements of income and expenditures and of changes in reserve for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances. I have obtained all the information and explanations I have required.

In my opinion, these financial statements present fairly the financial position of The City of Winnipeg, Fort Garry Pension Fund as at December 31, 1986 and the results of its operations for the year then ended, in accordance with the policies stated in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

LE Marks

Chartered Accountant
and City Auditor

Winnipeg, Manitoba
June 25, 1987

The City of Winnipeg
Fort Garry Pension Fund
Statement of Income and Expenditures

For the Year Ended December 31, 1986

	1986	1985
Income		
Contributions		
The City of Winnipeg	$ 2,422	$ 3,057
Employees — Regular	2,423	3,057
— Voluntary	570	—
	5,415	6,114
Investment Revenue	200,799	147,749
Experience Refund	56,561	—
	262,775	153,863
Expenditures		
Administration	5,691	5,449
Investment Fees	6,395	6,408
Pension Payments	51,834	46,953
Contribution and Interest Refunded	13,097	—
	77,017	58,810
Net Income	$ 185,758	$ 95,053

Statement of Changes in Reserve

For the Year Ended December 31, 1986

	1986	1985
Opening Balance	$1,278,055	$1,183,002
ADD Net Income	185,758	95,053
Conversion of Insured Policy 7220GP (Note 3)	386,406	—
Closing Balance	$1,850,219	$1,278,055

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

Notes to the Financial Statements

1. **Significant Accounting Policies**
   a. The Mortgage and Deposit Funds are recorded at cost. The Money Market Fund is recorded at cost with adjustment to reflect the gain in market value. A market value gain of $13,996 was taken into investment income in 1986. The transaction account records cash transfers, revenue and operating expenses by Great West Life.
   b. The fund follows the accrual method of accounting.
2. The Actuarial report prepared as at December 31, 1985 disclosed an actuarial surplus of $730,000.
3. The former Fort Garry Policy 7220GP with Great West Life was converted to Investment Only Contract.
4. The rate of return on investments was as follows:

	1986	1985
Investment Revenue	21.00%	12.70%
LESS Investment Fees	.52	.55
NET	20.48%	12.15%

The City of Winnipeg
Money Purchase Pension Fund
Balance Sheet

As at December 31, 1986

Assets

	Market Value	1986	1985
Assets with Great-West Life (Note 1)			
Transaction Account	$ 6,432	$ 6,432	$ (105,207)
Money Market Fund#1	2,373,897	2,373,897	1,247,723
Deposit Fund	—	—	1,012,501
Assets with London Life Mortgage Fund (Note 1)	555,877	555,877	495,590
Assets with Citadel Life Money Market Fund (Note 1)	1,519,200	1,519,200	1,401,236
	$4,455,406	$4,455,406	$4,051,843

Liabilities

	1986	1985
Employees' Pension Reserve (Note 2)	$4,422,793	$4,020,358
Due to Employee Benefits Program Pension Fund	32,613	31,485
	$4,455,406	$4,051,843

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

Auditor's Report

To The Chairman and Members
Employee Benefits Board
The City of Winnipeg

I have examined the balance sheet of The City of Winnipeg, Money Purchase Pension Fund as at December 31, 1986 and the statements of income and expenditures and of changes in reserve for the year then ended. My examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as I considered necessary in the circumstances.

Policies with the Manufacturers Life Insurance Company have not been converted to the Money Purchase Plan. Therefore, no asset values or earnings have been included in these financial statements.

In my opinion, except for any adjustments which may result from these excluded assets and earnings, these financial statements present fairly the financial position of The City of Winnipeg Money Purchase Pension Fund as at December 31, 1986 and the results of its operations for the year then ended, in accordance with accounting principles described in the notes to the financial statements.

Chartered Accountant
and City Auditor

Winnipeg, Manitoba
July 2, 1987

The City of Winnipeg
Money Purchase Pension Fund
Statement of Income and Expenditures

For the Year Ended December 31, 1986

	1986	1985
Income		
Contributions		
The City of Winnipeg	$ 12,852	$ 13,417
Employees	12,852	13,417
	25,704	26,834
Investment Revenue	525,031	379,004
	550,735	405,838
Expenditures		
Administration	15,507	14,759
Investment Fees	3,976	4,628
Pension Payments	128,817	128,265
	148,300	147,652
Net Income	$ 402,435	$ 258,186

Statement of Changes in Reserve

For the Year Ended December 31, 1986

	1986	1985
Opening Balance	$4,020,358	$3,762,172
ADD Net Income	402,435	258,186
Closing Balance	$4,422,793	$4,020,358

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

Notes to the Financial Statements

1. **Significant Accounting Policies**
   a) The book value of the assets with Great West Life, London Life and Citadel Life are adjusted by the realized gains or losses.
   b) The fund follows the accrual method of accounting.

2. The Money Purchase Fund was established in 1983, by the conversion of some of the prior Municipal Insurance Plans under authority of by-law 2819/80. The appropriate share of assets have been transferred to Winnipeg Police Pension Fund and Municipal Employees Benefits Board. The Money Purchase Fund does not include those assets held by Manufacturers Life for former Assiniboia Pension Plan policy GP2967.

3. The Actuarial Report as at December 31, 1985, disclosed an actuarial surplus of $1,515,000.

4. The rate of return on investments was as follows:

	1986	1985
Investment Revenue	13.21%	10.19%
LESS Investment Fees	.10	.12
NET	13.11%	10.07%

The City of Winnipeg
Council Members' (Pre - 1972) Pension Fund
Balance Sheet

As at December 31, 1986

Assets

	1986	1985
Assets with The Sinking Fund Trustees — at cost		
City of Winnipeg, 8¾% debentures due February 1, 1987 (Par $20.000)	$19.830	$19.830
Call Loans—City of Winnipeg	10.500	8.000
Accrued Interest	729	729
Cash	736	1.027
	$31.795	$30.086

Liabilities

	1986	1985
Pension Reserve	$30.495	$28.786
Due to Employee Benefits Board	1.300	1.300
	$31.795	$30.086

Statement of Reserve

For the Year Ended December 31, 1986

	1986	1985
Opening Balance	$28.786	$27.994
ADD		
Contributions—City of Winnipeg	6.281	6.281
Investment Income	2.388	2.153
	8.669	8.434
LESS Administration Expenses	1.300	1.300
Net Change	7.369	7.134
Amount available for pension purposes	36.155	35.128
DEDUCT		
Pension Payments	5.660	6.342
Closing Balance	$30.495	$28.786

Auditor's Report

To the Mayor and Members
of City Council
The City of Winnipeg

I have examined the balance sheet of The City of Winnipeg—Council Members' (Pre-1972) Pension Fund as at December 31, 1986 and the statement of reserve for the year then ended. My examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as I considered necessary in the circumstances. I have obtained all the information and explanations I have required.

In my opinion, these financial statements present fairly the financial position of The City of Winnipeg—Council Members' (Pre-1972) Pension Fund as at December 31, 1986 and the changes in statement of reserve for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

L G Marks

Chartered Accountant
and City Auditor

Winnipeg, Manitoba
June 29, 1987

CITY OF WINNIPEG
UNUM CUM VIRTUTE MULTORUM

Financial Statistics and Debenture Debt Information

The City of Winnipeg
Financial Statistics, etc.

As at December 31, 1986

Debenture Debt **Supported by Taxation**	GROSS DEBT	SINKING FUND (Notes 4 & 5)	NET DEBT	%
City at Large				
Schools [See Notes (1), (2), (3)]	$ 462.000.00	$ —	$ 462.000 00	.1
All Other purposes	395.964.471.57	105.048.633 13	290.915.838 44	67 5
	396.426.471.57	105.048.633 13	291.377.838 44	67 6
Local Improvements				
Property Owner's share	11.470.543 22	9.801.719.34	1.668.823 88	.4
Total Supported by Taxation	407.897.014.79	114.850.352 47	293.046.662 32	68 0
City Owned Utilities				
Hydro Electric System	56.001.325.08	24.897.404 07	31.103.921 01	7 2
Steam Heating System	37.000.00	—	37.000 00	.0
Transit System	18.728.462.13	6.904.220 10	11.824.242 03	2 8
Waterworks System	55.495.661.51	23.479.580.65	32.016.080 86	7 4
Sewage Disposal System	76.303.875.84	13.282.777.47	63.021.098 37	14 6
Total City Owned Utilities	206.566.324.56	68.563.982.29	138.002.342 27	32 0
Total December 31, 1986	$614.463.339.35	$183.414.334 76	$431.049.004 59	100 0
Total January 1, 1986	$567.073.465.52	$176.549.307.39	$390.524.158 13	

NOTES (1) Only former City of Winnipeg had issued school debt under its own Municipal credit.
(2) Annual Service Charges are responsibility of Provincial Government.
(3) Excludes all school debt issued directly by Area School Boards and Divisions.
(4) An additional $31.588.479.88 is provided for by Foreign Exchange in Sinking Fund for equivalent U.S. Dollars to retire debt at maturity.
(5) Does not include $135.998.09 to provide for interest payment at maturity re By-Law 4247/86.

Serial and Instalment Debentures	$ 76.504.339.35
Sinking Fund Debentures	537.959.000.00
	$614.463.339.35

Debentures Guaranteed by City	
Winnipeg Enterprises Corporation	$ 6.080.000.00

Capital Expenditures Unfunded (Floating Debt)		
Supported by taxation		$ 38.644.635
City Owned Utilities		
Hydro Electric System	$ 13.652.982	
Steam Heating System	191.199	
Transit System	6.006.344	
Water Works System	356.018	
Sewage Disposal System	16.691.431	36.897.974
		$ 75.542.609

Operating Results for Year	Revenue	Expenditure Inc. Debt Charges	Surplus (Deficit)
General (i)	$706.709.356	$712.431.030	$ (5.721.674)
Hydro Electric System	84.052.180	72.657.211	11.394.969
Steam Heating System (ii)	4.279.600	4.279.600	—
Transit System (iii)	65,956,676	65.956.676	—
Waterworks System	47.233.465	44.137.260	3.096.205
Sewage Disposal System	32,568,364	30.337.876	2.230.488
Ambulance Service (iv)	6.158.153	6.158.153	—
	$946.957.794	$935.957.806	$10.999.988

(i) Revenue and Expenditures includes $223,952,293 collected on behalf of and paid to school authorities and revenue includes contribution from Hydro Electric System of $13,900,000.
(ii) Revenue includes contribution from Hydro Electric System - $926,627.
(iii) Revenue includes appropriation from General Levy - $16,806,523.
(iv) Revenue includes appropriation from General Levy - $1,979,373.

The City of Winnipeg Financial Statistics, etc.

As at December 31

	1986	1985	1984	1983	1982
Tax Collections and Arrears (including certificates and titles)					
Taxes to collect					
Current levy for all purposes	$ 482,972,275	$ 451,530,424	$ 430,185,421	$ 405,121,754	$ 383,067,048
Arrears forward—inc. penalties	40,415,707	34,284,401	37,685,605	37,384,187	31,513,590
Total	$ 523,387,982	$ 485,814,825	$ 467,871,026	$ 442,505,941	$ 414,580,638
Collections for year					
Current levy	$ 462,770,098	$ 431,120,103	$ 409,165,680	$ 385,443,923	$ 361,908,860
Arrears	24,898,855	18,120,176	21,384,526	22,492,453	17,504,436
Total	$ 487,668,953	$ 449,240,279	$ 430,550,206	$ 407,936,377	$ 379,413,296
Arrears December 31					
Gross arrears—fully reserved	$ 35,719,029	$ 36,574,546	$ 37,320,820	$ 34,569,564	$ 35,167,342
Percentages					
Total collections to current levy	100.97%	99.49%	100.08%	100.69%	99.05%
Current levy collections to current levy	95.82%	95.48%	95.11%	95.14%	94.48%
Total collections to total to collect	93.18%	92.47%	92.02%	92.19%	91.52%
Current tax levy—per capita	$ 783.86	$ 738.19	$ 711.49	$ 677.73	$ 643.35
Assessments					
Land—100% of assessed value	$ 411,465,830	$ 410,583,190	$ 407,421,720	$ 404,898,520	$ 404,962,040
Buildings—66 2/3% of assessed value	1,436,831,660	1,410,184,490	1,377,228,450	1,353,891,610	1,340,062,630
Personal Property—100% of assessed value	$ 32,440,770	31,091,220	29,672,940	28,798,370	27,179,920
Total	$1,880,738,260	$1,851,858,900	$1,814,323,110	$1,787,588,500	$1,772,204,590
Exemptions (not included in above)	$ 464,723,930	$ 459,719,850	$ 458,241,621	$ 457,338,470	$ 452,190,320
Business Assessment—annual rental value	$ 255,396,470	$ 251,020,138	$ 246,111,712	$ 241,166,938	$ 241,059,171
Assessment (inc. business)—per capita	$ 3,467.15	$ 3,437.58	$ 3,407.78	$ 3,393.93	$ 3,381.22
Municipal Mill Rate	121.922	117.343	113.197	107.605	101.648
Population	616,107	611,732	604,627	*597,760	595,426
Area of City in Square Miles	218.4	218.4	218.4	218.4	218.4

- Traditionally Manitoba Health Services Commission provided population updates to December 1st annually. Commencing in 1983 these will be available only for June 1st.

The City of Winnipeg
Table of Financial Statistics & Selected Ratios
As at December 31

	1986	1985	1984	1983	1982
Total Debenture Debt ($000's) (1)	614,463	567,073	536,125	502,892	513,487
Net Tax Supported Debenture Debt ($000's) (2)	304,409	269,086	251,076	233,722	257,453
Debenture Debt per Capita:					
Total ($)	997	927	887	841	862
Net ($)	494	440	415	391	432
Estimated Market Value of Taxable Assessment ($000's) (3)	16,300,000	16,277,000	16,196,000	15,603,000	15,597,000
Debenture Debt as a % of Estimated Market Value of Taxable Assessment:					
Total (%)	3.8	3.5	3.3	3.2	3.3
Net (%)	1.9	1.7	1.6	1.5	1.7
Combined Revenues ($000's) (4)	689,393	670,437	630,435	595,708	551,558
Net Combined Revenues ($000's) (5)	536,086	527,093	493,991	460,308	434,041
Total Debenture Debt as a % of Combined Revenues	89.1	84.6	85.0	84.4	93.1
Net Debenture Debt as a % of Net Combined Revenues	56.8	51.1	50.8	50.8	59.3
Gross Debt Charges ($000's) (6)	88,782	80,983	75,151	77,989	76,193
Gross Debt Charges as a % of Combined Revenues	12.9	12.1	11.9	13.1	13.8
Net Debt Charges ($000's) (7)	62,634	56,519	51,922	54,497	52,748
Net Debt Charges as a % of Net Combined Revenues	11.7	10.7	10.5	11.8	12.2
Average Debenture Interest Rate (%)	9.64	10.90	10.77	10.43	10.42
Currency Payable In (%)					
Canadian Dollars	76.75	56.88	53.33	48.92	49.97
U.S. Dollars	23.25	43.12	46.67	49.75	48.73
Deutsche Marks (West German)	—	—	—	1.33	1.30
Pattern of Debt Maturity (%)					
1 - 5 years	49.6	56.3	54.8	55.4	34.3
6 - 10 years	42.9	21.7	23.8	18.8	38.0
over 10 years	7.5	22.0	21.4	25.8	27.7
Average Maturity (Years)	6.4	5.7	6.4	7.1	7.9

NOTES:

(1) Total Debenture Debt is Gross Debt outstanding for all Municipal Purposes (Tax-Supported and City-owned Utilities and debt issued for Winnipeg School Division No. 1 by the former City of Winnipeg).

(2) Net Tax-Supported Debt is Gross Debt less accumulated Sinking Funds, less City-owned Utilities (except Transit System) net of Sinking Fund, and less Debentures issued for Winnipeg School Division No. 1.

(3) In computing Estimated Market Value, Taxable Assessments (including Grants in lieu of Taxes) are first adjusted to 100% of assessed value before converting.

(4) Combined Revenues are comprised of General Revenues, including Ambulance Service and City-owned Utilities, but exclude revenues collected on behalf of School authorities.

(5) Net Combined Revenues are Combined Revenues shown in (4) but exclude revenues for Hydro, Steam, Waterworks & Sewage Disposal Utilities.

(6) Gross Debt Charges are annual cash requirements for Interest, Principal and Sinking Fund levies on Total Debenture Debt as defined in (1) above.

(7) Net Debt Charges are annual cash requirements for Interest, Principal and Sinking Fund levies on Net Tax-Supported Debt as defined in (2) above

Debenture Debt Financial and Statistical Statements

On the coming into force of The City of Winnipeg Act on January 1, 1972, the new City assumed responsibility for the debenture debt of the following predecessor Municipal entities

—R.M. of Charleswood
—R.M. of Fort Garry
—R.M. of Old Kildonan
—City of St. James-Assiniboia
—City of Transcona
—City of West Kildonan
—City of East Kildonan
—R.M. of North Kildonan
—City of St. Boniface
—City of St. Vital
—Town of Tuxedo
—City of Winnipeg
—Metropolitan Corporation of Greater Winnipeg, including
  —Greater Winnipeg Sanitary District
  —Greater Winnipeg Water District
  —Greater Winnipeg Transit Commission

The gross Debenture Debt of the City as at December 31, 1986 amounted to $614,463,339.35 as follows:

Gross Debenture Debt as at January 1, 1986	$567,073,465.52
Debenture Debt issued by the City in 1986	158,553,000.00
Debenture Debt retired in 1986	(111,163,126.17)
Gross Debenture Debt as at December 31, 1986	$614,463,339.35

Composition of this debt is as follows

Sinking Fund	$537,959,000.00
Serial and Instalment	76,504,339.35
	$614,463,339.35

The City of Winnipeg Act provides for the appointment of a Board of Sinking Fund Trustees consisting of four trustees, composed of the City Treasurer and three trustees appointed by the Lieutenant Governor in Council. This board administers such sinking funds as are required to be maintained in respect to any debentures of the City. At the inception of the unified City of Winnipeg the Board of Trustees had vested in it the assets and liabilities of the former Sinking Fund Trustees of the City of Winnipeg, the former Sinking Fund Committee of the Metropolitan Corporation of Greater Winnipeg and the former Sinking Fund Trustees of the City of St. Boniface. . . the only municipal entities in the unification who had issued Sinking Fund Debentures.

The provisions of The City of Winnipeg Act require that in the case of Sinking Fund Debentures, there shall be paid over to the Sinking Fund Trustees on each anniversary date until maturity an amount which, together with calculated interest thereon at a rate not exceeding 10% per annum, will be sufficient to retire the debt at maturity. There is, however, an exception permitted in that when sinking fund debentures are issued for purposes of the Transit System, Waterworks System or Sewage Disposal System, a sinking fund of 1% of the original amount of the debentures is permissible, or if the debentures are for any other purpose and the term is less than 22 years, a sinking fund of 3% of the original amount of the debentures may be provided.

All sinking fund debenture issues provide for full sinking fund at maturity on the basis of actuarial capitalizations averaging approximately 4.85%, with the exception of the following: (a) An issue under By-law 1586/77 was issued under the 1% and 3% levy provisions creating a sinking fund deficiency; additional monies are being provided annually to ensure that the sinking fund will be sufficient to discharge the debt at maturity, (b) In 1980, the City issued $25 million 8 year sinking fund debentures under By-law 2622/80 extendible for an additional 8 years at the option of the holders; if the issue remains outstanding until 1996 a sinking fund sufficient to fully retire the issue will be available. (c) In 1984 under By-law 3807/84, the City issued $50 million, 7 year sinking fund debentures under the 1% and 3% levy provision. This will create a sinking fund deficiency that will require refinancing. (d) In 1985 under By-law 4025/85, the City issued $50 million, 5 year sinking fund debentures under the 3% levy provision. This will create a sinking fund deficiency that will require refinancing. (e) In 1986 under By-laws 4246/86, 4247/86 and 4347/86 the City issued a total of $158,553,000 in sinking fund debentures under the 3% levy provision. All three of these debenture issues will require refinancing.

The Sinking Fund Trustees are also empowered, under the City of Winnipeg Act, to administer such other funds as the Council may direct. At present, the trustees are administering the sinking fund for the redemption of debentures issued by the Winnipeg Enterprises Corporation.

In the case of serial and instalment debt, The City of Winnipeg Act requires the raising of sufficient money to pay the principal amount of debt falling due in that year.

The net debenture debt of the City as at December 31, 1986 totalled $431,049,004.59 comprised as follows:

	Supported by Taxation	Utilities	Total
Gross	$407,897,014.79	$206,566,324.56	$614,463,339.35
Less Sinking Funds	114,850,352.47	68,563,982.29	183,414,334.76
Net	$293,046,662.32	$138,002,342.27	$431,049,004.59

Summary of Debenture Debt and Sinking Fund

As at December 31, 1986

Description	DEBENTURE DEBT Gross	Sinking Fund (Notes 1 & 5)	Net	1987 FIXED ANNUAL CHARGES (Note 2) Interest (Note 3)	Principal	Total
SUPPORTED BY TAXATION						
City at Large						
General (other than local improvements)	$395,514,744.36	$103,754,854.65	$291,759,889.71	$39,007,324.57	$16,469,817.99	$55,477,142.56
Local Improvements— City's Share	449,727.21	335,480.11	114,247.10	27,320.66	46,295.45	73,616.11
	395,964,471.57	104,090,334.76	291,874,136.81	39,034,645.23	16,516,113.44	55,550,758.67
Unallocated Surplus	—	958,298.37	(958,298.37)	—	—	—
	395,964,471.57	105,048,633.13	290,915,838.44	39,034,645.23	16,516,113.44	55,550,758.67
Public School Board (Note 4) (not including Direct issues)	462,000.00	—	462,000.00	26,565.00	224,000.00	250,565.00
Total City at Large	396,426,471.57	105,048,633.13	291,377,838.44	39,061,210.23	16,740,113.44	55,801,323.67
Self Supporting						
Local Improvements— Property Owners' Share	11,470,543.22	9,801,719.34	1,668,823.88	741,900.38	1,046,337.21	1,788,237.59
TOTAL SUPPORTED BY TAXATION	407,897,014.79	114,850,352.47	293,046,662.32	39,803,110.61	17,786,450.65	57,589,561.26
CITY OWNED UTILITIES						
Hydro Electric System	56,001,325.08	24,897,404.07	31,103,921.01	5,629,319.13	1,954,017.04	7,583,336.17
Steam Heating System	37,000.00	—	37,000.00	2,127.50	18,000.00	20,127.50
Transit System (Note 4)	18,728,462.13	6,904,220.10	11,824,242.03	1,733,425.06	619,075.86	2,352,500.92
Water Works System	55,495,661.51	23,479,580.65	32,016,080.86	5,147,022.24	1,970,538.27	7,117,560.51
Sewage Disposal System	76,303,875.84	13,282,777.47	63,021,098.37	6,930,763.83	2,451,152.77	9,381,916.60
TOTAL CITY OWNED UTILITIES	206,566,324.56	68,563,982.29	138,002,342.27	19,442,657.76	7,012,783.94	26,455,441.70
GRAND TOTAL	$614,463,339.35	$183,414,334.76	$431,049,004.59	$59,245,768.37	$24,799,234.59	$84,045,002.96

Notes (1) An additional $31.588.479.88 is provided for Foreign Exchange in Sinking Fund for equivalent U.S. Dollars to retire debt at maturity.

(2) Fixed annual charges shown are on a 'Cash Basis' and not 'Accrual Basis'. Principal amount does not include $2,180,183. provided from the Sinking Fund Surplus to maintain full Sinking Fund provision at maturity for By-law 1586/77.

(3) As a result of the pro rata allocation by purpose of debt schedules on subsequent pages, there may be some minor distortions in arithmetic interest calculations.

(4) In computing its Net Tax Supported Debenture Debt for purposes of financial ratios and prospectus filings, the City considers debt issued on behalf of the Transit System as Tax-Supported Debt. In addition outstanding debenture debt of the Winnipeg School Division No. 1 is excluded because such debt is serviced by the Province of Manitoba.

(5) Does not include $135,998.09 to provide interest payment at maturity re By-Law 4247/86.

Debenture Debt—Maturity by Years

Maturity Year	Sinking Fund Debt		Serial and Instalment Debt	Total	%
1987	$ 61,000,000.00		$ 7,364,766.67	$ 68,364,766.67	11.1
1988	30,500,000.00		7,670,444.75	38,170,444.75	6.2
1989	24,446,000.00		7,353,038.69	31,799,038.69	5.2
1990	92,500,000.00	*	7,828,005.77	100,328,005.77	16.3
1991	60,260,000.00	**	5,898,068.66	66,158,068.66	10.8
1992	8,000,000.00		5,923,796.80	13,923,796.80	2.3
1993	50,753,000.00	***	5,007,571.00	55,760,571.00	9.1
1994	10,500,000.00		4,902,223.34	15,402,223.34	2.5
1995	10,000,000.00		5,086,592.55	15,086,592.55	2.4
1996	160,000,000.00	****	3,180,473.92	163,180,473.92	26.6
1997	—		2,990,320.74	2,990,320.74	.5
1998	30,000,000.00		3,056,422.95	33,056,422.95	5.4
1999	—		3,068,069.36	3,068,069.36	.5
2000	—		1,389,527.04	1,389,527.04	.2
2001	—		765,263.24	765,263.24	.1
2002	—		789,178.32	789,178.32	.1
2003	—		860,633.04	860,633.04	.1
2004	—		593,274.53	593,274.53	.1
2005	—		649,816.33	649,816.33	.1
2006	—		469,255.08	469,255.08	.1
2007	—		427,261.63	427,261.63	.1
2008	—		472,690.29	472,690.29	.1
2009	—		522,955.92	522,955.92	.1
2010	—		234,688.73	234,688.73	—
GROSS DEBT	$537,959,000.00		$ 76,504,339.35	$614,463,339.35	100.0%
Less Sinking Fund Reserve				183,414,334.76	
NET DEBT				$431,049,004.59	

* Of the $92,500,000 Sinking Fund Debt that matures in 1990, $68,093,649.49 will have to be refinanced.

** Of the $60,260,000 Sinking Dund Debt that matures in 1991, $38,275,507.83 will have to be refinanced.

*** Of the $50,753,000 Sinking Fund Debt that matures in 1993, $32,688,011.24 will have to be refinanced.

**** Of the $160,000,000 Sinking Fund Debt that matures in 1996, $52,926,374.01 will have to be refinanced.

Underlying Assumption:

— By-Law No. 2622/80 $25,000,000 14% will be extended by the holders from May 16, 1988 to May 16, 1996.

Annual Debenture Debt Service Charges

On Existing Debt as at December 31, 1986

	TAX SUPPORTED (Including Transit System)			SELF SUPPORTING UTILITIES (Hydro, Steam, Water Works & Sewage Disposal)			
Year	Principal	Interest	Sub-Total	Principal	Interest	Sub-Total	Total
1987	$ 18,405,526.51	$ 41,536,535.67	$ 59,942,062.18	$ 6,393,708.08	$ 17,709,232.70	$ 24,102,940.78	$ 84,045,002.96
1988	16,587,743.24	36,583,727.22	53,171,470.46	6,318,326.61	16,599,677.18	22,918,003.79	76,089,474.25
1989	14,977,155.98	34,726,867.72	49,704,023.70	6,108,921.60	16,014,614.04	22,123,535.64	71,827,559.34
1990	14,986,669.54	33,088,157.23	48,074,826.77	5,857,547.79	15,305,491.22	21,163,039.01	69,237,865.78
1991	11,068,409.61	26,030,073.65	37,098,483.26	5,340,225.41	12,353,322.46	17,693,547.87	54,792,031.13
1992	9,629,442.64	20,150,393.51	29,779,836.15	4,717,811.67	10,605,303.55	15,323,115.22	45,102,951.37
1993	8,307,096.69	16,931,925.15	25,239,021.84	4,509,874.40	9,903,835.02	14,413,709.42	39,652,731.26
1994	6,776,762.57	14,288,007.52	21,064,770.09	4,385,726.10	9,270,671.31	13,656,397.41	34,721,167.50
1995	6,963,454.57	13,626,069.35	20,589,523.92	4,065,956.15	8,470,743.43	12,536,699.58	33,126,223.50
1996	5,281,574.01	10,847,959.97	16,129,533.98	3,539,292.21	6,187,067.57	9,726,359.78	25,855,893.76
1997	1,770,297.33	2,533,449.68	4,303,747.01	1,548,286.35	1,869,809.61	3,418,095.96	7,721,842.97
1998	1,762,055.50	1,388,656.09	3,150,711.59	1,622,630.39	1,270,617.64	2,893,248.03	6,043,959.62
1999	1,164,332.72	244,027.65	1,408,360.37	1,324,734.46	663,267.48	1,988,001.94	3,396,362.31
2000	84,539.60	154,918.52	239,458.12	1,305,207.44	538,828.00	1,844,035.44	2,083,493.56
2001	93,204.91	146,253.21	239,458.12	672,058.33	416,173.11	1,088,231.44	1,327,689.56
2002	102,758.40	136,699.72	239,458.12	686,419.92	356,806.24	1,043,226.16	1,282,684.28
2003	113,291.14	126,166.98	239,458.12	747,341.90	295,884.26	1,043,226.16	1,282,684.28
2004	124,903.48	114,554.64	239,458.12	468,371.05	229,431.26	697,802.31	937,260.43
2005	137,706.09	101,752.03	239,458.12	512,110.24	185,691.75	697,801.99	937,260.11
2006	151,820.96	87,637.16	239,458.12	317,434.12	137,751.67	455,185.79	694,643.91
2007	167,382.61	72,075.51	239,458.12	259,879.02	103,972.55	363,851.57	603,309.69
2008	184,539.33	54,918.79	239,458.12	288,150.96	75,700.61	363,851.57	603,309.69
2009	203,455.50	36,003.51	239,459.01	319,500.42	44,352.02	363,852.44	603,311.45
2010	147,798.23	15,149.32	162,947.55	86,890.50	9,591.76	96,482.26	259,429.81
	$119,191,921.16	$253,021,979.80	$372,213,900.96	$61,396,405.12	$128,617,836.44	$190,014,241.56	$562,228,142.52

NOTES
(1) Fixed annual charges are on a 'Cash Basis' and not 'Accrual Basis'.
(2) Principal includes annual Levies paid to Sinking Fund.
(3) Assumes that By-Law 2622/80 $25,000,000 14% will be extended by the holders from May 16, 1988 to May 16, 1996.

Debenture Debt
Summary of Maturities by Purposes

Maturity Year	General Inc. City's Share L.I.	Ratepayers' Share Local Imp.	Schools	Hydro Electric System	Steam Heating System	Transit System	Water Works System	Sewage Disposal System	Total
1987	$ 44.854.277.47	$10.804.065.15	$224.000.00	$ 37.000.00	$18.000.00	$ —	$ 7.071.665.39	$ 5.355.758.66	$ 68.364.766.67
1988	23.507.726.96	245.027.21	238.000.00	2.639.000.00	19.000.00	4.500.000.00	5.373.540.75	1.648.149.83	38.170.444.75
1989	15.549.592.27	270.541.43	—	4.825.325.08	—	2.000.000.00	3.650.734.94	5.502.844.97	31.799.038.69
1990	60.489.521.49	69.004.47	—	5.000.000.00	—	9.060.000.00	3.403.731.26	22.305.748.55	100.328.005.77
1991	49.232.731.02	81.904.96	—	11.000.000.00	—	—	2.140.642.70	3.702.789.98	66.158.068.66
1992	8.381.435.98	—	—	—	—	—	4.444.689.41	1.097.671.41	13.923.796.80
1993	52.108.129.15	—	—	-	—	—	2.476.662.05	1.175.779.80	55.760.571.00
1994	3.806.666.30	—	—	10.000.000.00	—	—	343.738.44	1.251.818.60	15.402.223.34
1995	8.508.479.59	—	—	—	—	—	2.872.113.46	3.705.999.50	15.086.592.55
1996	102.790.497.50	—	—	20.500.000.00	—	3.168.462.13	18.755.520.51	17.965.993.78	163.180.473.92
1997	1.744.460.26	—	—	—	—	—	368.386.93	877.473.55	2.990.320.74
1998	21.736.218.43	—	—	2.000.000.00	—	—	3.901.355.55	5.418.848.97	33.056.422.95
1999	1.743.334.90	—	—	—	—	—	339.040.97	985.693.49	3.068.069.36
2000	84.539.60	—	—	—	—	—	353.839.15	951.148.29	1.389.527.04
2001	93.204.91	—	—	—	—	—	—	672.058.33	765.263.24
2002	102.758.40	—	—	—	—	—	—	686.419.92	789.178.32
2003	113.291.14	—	—	—	—	—	—	747.341.90	860.633.04
2004	124.903.48	—	—	—	—	—	—	468.371.05	593.274.53
2005	137.706.09	—	—	—	—	—	—	512.110.24	649.816.33
2006	151.820.96	—	—	—	—	—	—	317.434.12	469.255.08
2007	167.382.61	—	—	—	—	—	—	259.879.02	427.261.63
2008	184.539.33	—	—	—	—	—	—	288.150.96	472.690.29
2009	203.455.50	—	—	—	—	—	—	319.500.42	522.955.92
2010	147.798.23	—	—	—	—	—	—	86.890.50	234.688.73
	$395.964.471.57	$11.470.543.22	$462.000.00	$56.001.325.08	$37.000.00	$18.728.462.13	$55.495.661.51	$76.303.875.84	$614.463.339.35

Underlying Assumption:

— By-Law No 2622/80 $25.000.000 14% will be extended by the holders from May 16, 1988 to May 16, 1996

Debenture Debt Changes 1986

Gross Debt as at January 1, 1986			$567,073,465.52
DEBT ISSUED DURING 1986			
Tax Supported Debt			
Street and Bridge System	$38,679,881.65		
Land Drainage	34,782,318.25		
Solid Waste Disposal	2,417,923.48		
Culture and Recreation	11,759,964.78		
Protection	5,929,536.77		
Health and Social Development	5,094,169.93		
Downtown Parking	491,362.09		
Civic Accomodations	2,447,386.16		
Core Area Initiative	8,745,577.65		
City Developments/Development Agreements	484,564.78		
Overhead Walkways	533,000.00	$111,365,685.54	
Utilities Debt			
Transit System	8,628,462.13		
Waterworks System	9,064,552.41		
Sewage Disposal System	29,494,299.92	47,187,314.46	158,553,000.00
			725,626,465.52
DEBT RETIRED DURING 1986			
Tax Supported Debt			
Local Improvements—City's Share	277,921.75		
Local Improvements—Property Owners' Share	408,106.93	686,028.68	
Streets & Bridge System	9,315,191.27		
Land Drainage	37,899,726.79		
Solid Waste Disposal	1,650,589.91		
Culture & Recreation	11,888,392.57		
Protection	5,308,426.15		
Health & Social Development	4,090,261.62		
General Government	291,241.72		
Downtown Parking	655,666.70		
Convention Centre	601,899.48		
Civic Accomodations	3,197,222.29		
City Developments/Development Agreements	647,518.70		
Old Market Square	123,261.09		
Overhead Walkways	10,983.68		
Core Area Initiative	2,500,000.00	78,180,381.97	
Schools		389,000.00	
Utilities Debt			
Hydro Electric System	1,176,000.00		
Steam Heating System	17,000.00		
Transit System	2,000,000.00		
Water Works System	10,451,600.16		
Sewage Disposal System	18,263,115.36	31,907,715.52	111,163,126.17
Gross Debt as at December 31, 1986			$614,463,339.35

The City of Winnipeg Debenture Debt Issues

As at December 31, 1986

Term	Month	Rate of Interest	By-Law No.	Payable at	Cities	Amount of Debt	Total
THE CITY OF WINNIPEG **Sinking Fund Debt**							
1977-87	Feb. 1	8¾	1468/77	R.B.	Any Branch in Canada	$ 5,500,000.00	
1977-87	May 15	8¼	1586/77	R.B. Trust Co.	N.Y. PR. Paying Agent	40,000,000.00	
1977-87	Dec. 15	8½	1812/77	R.B.	Any Branch in Canada	5,000,000.00	$ 50,500,000.00
1978-88	Feb. 1	9	1852/78	R.B.	Any Branch in Canada	13,000,000.00	
(E) 1980-88/96	May 16	14	2622/80	R.B.	Any Branch in Canada	25,000,000.00	38,000,000.00
1974-89	Nov. 1	8¾	749/74	R.B.	Any Branch in Canada	266,000.00	
1974-89	Nov. 1	10¾	800/74	R.B.	Any Branch in Canada	2,210,000.00	2,476,000.00
1985-90	July 16	10 5/8	4025/85	Orion Royal	London PR P.A.	50,000,000.00	
1986-90	Dec. 1	9 3/8	4246/86	R.B.	W.	30,300,000.00	80,300,000.00
1984-91	Sept. 30	12¾	3807/84	Orion Royal	London PR. P.A.	50,000,000.00	50,000,000.00
1982-92	Dec. 31	12¾	3327/82	R.B.	Any Branch in Canada	7,500,000.00	7,500,000.00
1986-93	May 1	9.40	4247/86	BOT	London	43,253,000.00	
1973-93	June 1	8 1/8	383/73	B. of M.	Any Branch in Canada	7,000,000.00	50,253,000.00
1974-94	Apr. 1	8¾	585/74	R.B.	Any Branch in Canada	10,000,000.00	10,000,000.00
1975-95	Mar. 17	9¾	885/75	R.B.	Any Branch in Canada	10,000,000.00	10,000,000.00
(C) 1976-91/96	Mar. 1	9¼	1158/76	R.B. Trust Co.	N.Y.	50,000,000.00	
1986-96	Aug. 1	9¾	4347/86	R.B.	Any Branch in Canada	85,000,000.00	135,000,000.00
1978-98	Feb. 1	9¾	1853/78	R.B.	Any Branch in Canada	30,000,000.00	30,000,000.00
							$464,029,000.00
Serial & Instalment Debt							
1980-90	Dec. 31	13½	2835/80	R.B.	Any Branch in Canada	$ 7,194,000.00	
1982-92	Dec. 31	12 3/8	3326/82	R.B.	Any Branch in Canada	5,482,000.00	
(C) 1973-93	Mar. 23	6.98	685/74	R.B.	W.	942,816.48	
1983-93	Dec. 15	6 3/8	3614/83	R.B.	W.O.	113,146.27	
1974-94	Aug. 1	10¾	750/74	R.B.	Any Branch in Canada	4,000,000.00	
1980-95	Dec. 31	13½	2834/80	R.B.	Any Branch in Canada	8,797,000.00	
1979-99	Jan. 23	9¾	2179/79	R.B. Trust Co.	N.Y.	21,666,665.00	
(C) 1979-99	Feb. 1	10	2316/79	R.B.	W.O.	305,673.86	
(C) 1979-99	Apr. 1	9 5/8	2402/79	R.B.	W.O.	431,400.79	
(C) 1979-99	Apr. 1	9 5/8	2403/79	R.B.	W.O.	136,760.63	
(C) 1980-2000	May 1	11	2675/80	R.B.	W.O.	461,446.36	
(C) 1980-2000	May 1	9½	2676/80	R.B.	W.O.	2,265,986.75	
(C) 1980-2000	June 1	9 5/8	2709/80	R.B.	W.O.	56,942.04	
(C) 1980-2000	June 1	10	2710/80	R.B.	W.O.	83,093.09	
(C) 1980-2000	Oct. 1	10	2813/80	R.B.	W.O.	2,346,230.52	
(C) 1973-2003	Jan. 1	8¼	597/74	R.B.	W.O.	59,594.11	
(C) 1973-2003	June 1	8¼	598/74	R.B.	W.O.	2,540,176.15	
(C) 1973-2003	Jan. 1	7¾	599/74	R.B.	W.O.	42,224.69	
(C) 1973-2003	Jan. 1	7½	600/74	R.B.	W.O.	64,455.50	
(C) 1973-2003	Jan. 1	7¼	601/74	R.B.	W.O.	200,751.02	
(C) 1973-2003	Jan. 1	7½	602/74	R.B.	W.O.	52,291.21	
(C) 1973-2003	Dec. 1	8¼	684/74	R.B.	W.O.	125,763.98	
(C) 1975-2005	Apr. 1	7½	996/75	R.B.	W.O.	372,195.22	
(C) 1975-2005	Apr. 1	7 7/8	997/75	R.B.	W.O.	585,930.54	
(C) 1975-2005	Apr. 1	7½	998/75	R.B.	W.O.	33,277.44	
(C) 1975-2005	Nov. 1	7½	1292/76	R.B.	W.O.	1,383,309.04	
(C) 1976-2006	Jan. 1	8	1293/76	R.B.	W.O.	50,497.83	
(C) 1976-2006	Feb. 1	10¾	1294/76	R.B.	W.O.	460,993.63	
(C) 1976-2006	Dec. 1	8	1482/77	R.B.	W.O.	140,417.74	
(C) 1976-2006	Dec. 1	8	1483/77	R.B.	W.O.	132,150.88	
(C) 1979-2009	Jan. 1	10 3/8	2476/79	R.B.	W.O.	1,209,530.69	
(C) 1979-2009	Apr. 1	10¾	2401/79	R.B.	W.O.	1,027,955.17	
(C) 1979-2009	June 1	10	2424/79	R.B.	W.O.	667,325.95	
(C) 1980-2010	Jan. 1	10	2581/80	R.B.	W.O.	1,436,890.06	
(C) 1980-2010	June 1	10¾	2708/80	R.B.	W.O.	803,216.23	$ 65,672,108.87
GROSS DEBT (The City of Winnipeg)							$529,701,108.87

THE CITY OF WINNIPEG
DEBENTURE DEBT ISSUES—Continued

Term	Month	Rate of Interest	By-Law No.	Payable at	Cities	Amount of Debt	Total
CITY OF WINNIPEG (Former)							
Sinking Fund Debt							
1967-87	June 1	6¼	19430	B. of M.	W.H.M.T.L.R.E.C.V.V.	$2,800,000.00	$ 2,800,000.00
(C) 1968-83/88	Jan. 2	6¾	19488	B. of M.	N.Y.	3,000,000.00	
1968-88	June 1	7½	19573	B. of M.	W.H.M.T.L.R.E.C.V.V.	2,000,000.00	5,000,000.00
1969-89	May 1	8¼	19679	B. of M.	W.H.M.T.L.R.E.C.V.V.	500,000.00	
(C) 1964-84/89	Nov. 1	4¾	19050	B. of M.	N.Y.	6,500,000.00	7,000,000.00
1970-90	Dec. 1	9¼	19775	B. of M.	W.H.M.T.L.R.E.C.V.V.	3,000,000.00	3,000,000.00
1971-91	June 15	8½	19829	B. of M.	W.H.M.T.L.R.E.C.V.V.	1,560,000.00	
1971-91	Dec. 1	7¾	19852	B. of M.	W.H.M.T.L.R.E.C.V.V.	5,000,000.00	6,560,000.00
							$24,360,000.00
Serial & Instalment Debt							
1963-88	Oct. 1	5½&5¾	18869	B. of M.	W.H.M.T.L.R.E.C.V.V.	$1,163,000.00	
(C) 1966-91	Feb. 1	5 3/8	19230	B. of M.	W.	147,630.09	
(C) 1966-91	Apr. 1	5 3/8	19297	B. of M.	W.	90,555.72	
(C) 1966-91	June 1	5¼	19321	B. of M.	W.	79,638.67	
(C) 1966-91	June 1	5 3/8	19322	B. of M.	W.	105,610.01	
(C) 1966-91	Aug. 1	5 3/8	19336	B. of M.	W.	370,667.52	
(C) 1966-91	Oct. 1	5 3/8	19351	B. of M.	W.	620,884.19	
(C) 1966-91	Dec. 1	5 5/8	19363	B. of M.	W.	85,703.31	$ 2,663,689.51
GROSS DEBT (Former City of Winnipeg)							$27,023,689.51

(C) Callable
(E) Extended/Extendible

R.B.	Royal Bank of Canada
B. of M.	Bank of Montreal
C.I.B.C.	Canadian Imperial Bank of Commerce
B. of N.S.	Bank of Nova Scotia
T.D.	Toronto-Dominion Bank
B.C.N.	Banque Canadienne Nationale
B. of M. Trust Co.	Bank of Montreal Trust Co., New York
R.B. Trust Co.	The Royal Bank and Trust Co., New York
Orion Royal	Orion Royal Bank Limited
BOT	Bank of Tokyo

W.	Winnipeg
H.	Hamilton
M.	Montreal
L.	London
T.	Toronto
R.	Regina
E.	Edmonton
C.	Calgary
V.	Vancouver
V.V.	Vancouver, Victoria
N.Y.	New York
W.O.	Winnipeg, Ottawa

THE CITY OF WINNIPEG
DEBENTURE DEBT ISSUES—Continued

Term	Month	Rate of Interest	By-Law No.	Payable at	Cities	Amount of Debt	Total
THE METROPOLITAN CORPORATION OF GREATER WINNIPEG							
Sinking Fund Debt							
1967-87	Mar. 1	6	1159	C.I.B.C.	Any Branch in Canada	$ 3,000,000.00	
1967-85/87	Nov. 1	6½	1223	B of M Trust Co	N.Y.	4,200,000.00	$ 7,200,000.00
(C) 1968-83/88	May 1	7¼	1308	B of M Trust Co	N.Y.	3,000,000.00	
(C) 1968-85/88	Dec. 1	7½	1421	B of M Trust Co	N.Y.	5,000,000.00	
1963-88	Dec. 2	5½	514	R.B.	Any Branch in Canada	4,000,000.00	12,000,000.00
1964-89	May 1	5½	579	T.D.	Any Branch in Canada	4,970,000.00	
1969-89	July 1	8	1533	B of M Trust Co	N.Y.	5,000,000.00	
(C) 1964-84/89	Oct. 1	4¾	710	B of M Trust Co	N.Y.	4,500,000.00	14,470,000.00
1970-90	Feb. 1	9½	1633	T.D.	Any Branch in Canada	2,500,000.00	
1965-90	Apr. 1	5½	814	B. of N.S.	Any Branch in Canada	2,200,000.00	
1970-90	Oct. 1	9¼	1719	B. of N.S.	Any Branch in Canada	4,000,000.00	8,700,000.00
1971-91	Apr. 1	7½	1802	B. of M.	Any Branch in Canada	2,000,000.00	
1971-91	Nov. 1	8¼	1891	C.I.B.C.	Any Branch in Canada	1,200,000.00	3,200,000.00
							$45,570,000.00
Serial & Instalment Debt							
(C) 1967-87	Feb. 1	5 5/8	1168	B. of M.	W.	$ 9,879.56	
(C) 1967-87	Sept. 1	5 5/8	1244	B. of M.	W.	15,561.36	
1963-93	May 1	5¼	386	C.I.B.C.	Any Branch in Canada	1,228,000.00	
(C) 1963-93	Nov. 1	5 1/8	586	B. of M.	W.O.	46,689.71	
(C) 1964-94	Mar. 1	5 1/8	700	B. of M.	W.O.	58,226.79	
(C) 1964-94	Aug. 1	5 1/8	761	B. of M.	W.O.	391,037.75	
(C) 1964-94	Aug. 1	5 1/8	859	B. of M.	W.O.	260,457.18	
(C) 1964-94	Aug. 1	5¼	860	B. of M.	W.O.	129,102.95	
(C) 1964-94	Dec. 1	5 3/8	900	B. of M.	W.O.	33,208.39	
(C) 1965-95	July 1	5 1/8	887	B. of M.	W.O.	2,606,078.38	
(C) 1965-95	July 2	5 3/8	858	B. of M.	W.	84,213.42	
(C) 1965-95	Sept. 1	5 3/8	1032	B. of M.	W.O.	66,163.71	
(C) 1965-95	Sept. 1	5 1/8	1135	B. of M.	W.O.	524,920.23	
(C) 1965-95	Dec. 1	5 1/8	1033	B. of M.	W.O.	217,336.46	
1966-96	Mar. 1	6	1005	B. of M.	Any Branch in Canada	1,872,000.00	
(C) 1966-96	Apr. 1	5 3/8	1013	B. of M.	W.	155,531.50	
(C) 1966-96	Apr. 1	5 3/8	1108	B. of M.	W.	157,899.67	
(C) 1966-96	Oct. 1	5 3/8	1163	B. of M.	W.	158,394.86	
(C) 1967-97	Sept. 1	5 5/8	1243	B. of M.	W.	124,909.76	
(C) 1967-97	Dec. 1	5 1/8	1279	B. of M.	W.O.	28,010.40	
(C) 1967-97	Dec. 1	5 7/8	1280	B. of M.	W.O.	251,065.58	
(C) 1967-97	Dec. 1	5 1/8	1348	B. of M.	W.O.	17,859.00	
(C) 1968-98	Oct. 1	6¼	1443	B. of M.	W.O.	139,428.07	
(C) 1968-98	Nov. 1	5 5/8	1466	B. of M.	W.	841,948.29	
(C) 1969-99	May 1	6 3/8	1545	B. of M.	W.O.	182,585.69	
(C) 1970-2000	Jan. 1	6 7/8	1679	B. of M.	W.O.	23,934.82	
(C) 1970-2000	Jan. 1	6¼	1692	B. of M.	W.O.	148,811.49	
(C) 1970-2000	Oct. 1	6 7/8	1766	B. of M.	W.O.	213,312.43	
(C) 1971-2001	Sept. 1	8¼	1923	B. of M.	W.O.	375,532.46	$10,362,099.91
GROSS DEBT (Former Metropolitan Corporation of Greater Winnipeg)							$55,932,099.91

THE CITY OF WINNIPEG
DEBENTURE DEBT ISSUES—Continued

Term	Month	Rate of Interest	By-Law No.	Payable at	Cities	Amount of Debt	Total
RURAL MUNICIPALITY OF CHARLESWOOD							
1969-89	Nov. 1	8	1659	B. of M.	W.	$ 47,000.00	
1971-90	Dec. 1	8	1741	B. of M.	W.	14,000.00	$ 61,000.00
RURAL MUNICIPALITY OF FORT GARRY							
1968-87	Jan. 2	7	5184	R.B.	W.	$ 6,000.00	
1967-87	Apr. 1	5 7/8	5092A	R.B.	W.	7,199.10	
1969-87	Dec. 1	8	5345	R.B.	W.	6,000.00	
1971-91	Dec. 1	8¼	5485	R.B.	W.	29,727.81	$ 48,926.91
CITY OF ST. BONIFACE							
1968-87	Dec. 31	6	4747	B.C.N.	W.	$ 5,587.94	
1968-87	Dec. 31	6	4748	B.C.N.	W.	929.93	
1968-87	Dec. 31	6	4756B	B.C.N.	W.	2,358.44	
1969-88	Dec. 31	7	4795B	B.C.N.	W.	23,668.56	
1969-89	Oct. 1	7	4772B	B.C.N.	W.	62,000.00	
1970-89	Dec. 31	7	4853	B.C.N.	W.	5,550.23	
1971-90	Dec. 31	9	4892	B.C.N.	W.	4,981.53	
1971-90	Dec. 31	9	4893	B.C.N.	W.	6,820.36	
1971-90	Dec. 31	7	4897	B.C.N.	W.	54,765.69	
1971-90	Dec. 31	9	4904	B.C.N.	W.	17,850.12	$ 184,512.80
CITY OF ST. JAMES-ASSINIBOIA							
1967-87	Dec. 31	7	4200	R.B.	W.	$ 35,320.36	$ 35,320.36
CITY OF ST. VITAL							
1968-88	Oct. 1	8	8137	C.I.B.C.	W.	$ 91,000.00	
1968-88	Dec. 31	8	8217	C.I.B.C.	W.	18,162.94	
1969-89	Dec. 31	9¼	8372	C.I.B.C.	W.	102,000.00	
1969-89	Dec. 31	8	8373	C.I.B.C.	W.	78,000.00	
1970-90	Mar. 31	9¼	8376	C.I.B.C.	W.	54,000.00	$ 343,162.94
CITY OF TRANSCONA							
1968-87	Dec. 1	8	15/68	T.D.	W.	$106,000.00	
1969-88	Dec. 1	8	37/69	T.D.	W.	291,000.00	
1969-89	Dec. 1	8	104/69	T.D.	W.	60,000.00	
1970-90	Dec. 1	9¼	69/70	T.D.	W.	112,000.00	
1970-90	Dec. 1	9¼	70/70	T.D.	W.	111,000.00	$ 680,000.00
TOWN OF TUXEDO							
1967-87	Sept. 1	7	1132	B. of M.	W.	$ 28,000.00	
1968-88	July 1	8	1149	B. of M.	W.	61,000.00	
1969-89	July 1	8	1180	B. of M.	W.	34,000.00	
1970-90	Dec. 1	9¼	1218/23	B. of M.	W.	139,000.00	
1971-91	July 1	9	1239B	B. of M.	W.	95,000.00	$ 357,000.00
CITY OF WEST KILDONAN							
1968-95	Dec. 1	NIL	16/68/B	R.B.	W.	$ 60,108.14	
1965-95	Dec. 31	6	68/66/B	R.B.	W.	36,409.91	$ 96,518.05
GROSS DEBT (Other Areas)							$ 1,806,441.06
TOTAL DEBT							$614,463,339.35

General Debenture Debt

						Interest Rates %		Annual Charges 1987		
Purpose of Issue	By-Law No.	Amount of Debt	Issued By	Term of Debt	Payable	Sinking Fund	Debt	Interest	Principal Amortization	Sinking Fund Reserve at Dec. 31, 1986
Street and Bridge System										
	1159	$ 1.405.000.00	M	Mar 1.1967-87	C	4	6	$ 42.150.00	$ 47.183.00	$1.349.251 19
(Street Improvements, Street Lighting, Bridges and Underpasses)	1586/77	8.500.000.00	UW	May 15, 1977-87	NY	5	8¼	701.250.00	255.000.00(3)	7.686.407 04(1)
	1223	3.670.000.00	M	Nov. 1, 1967-85/87	NY	4	6½	238.550.00	123.245.00	3.432.764 86(1)
	1308	1.160.000.00	M	May 1, 1968-83/88	NY	4	7¼	84.100.00	—	1.160.000.00(1)(6)
	2622/80(E)	1.000.000.00	UW	May 16, 1980-88	C	5	14	140.000.00	50.000.00	350.764.38
	514	700.000.00	M	Dec 2, 1963-88	C	3½	5½	38.500.00	17.972.00	621.044.80
	579	810.000.00	M	May 1, 1964-89	C	3½	5½	44.550.00	20.796.00	688.042 11
	1533	2.350.000.00	M	July 1, 1969-89	NY	4	8	188.000.00	78.917.00	1.907.641.78(1)
	710	550.000.00	M	Oct 1, 1964-84/89	NY	3½	4¾	26.125.00	14.121.00	460.499.99(1)
	1633	500.000.00	M	Feb 1, 1970-90	C	4	9½	47.500.00	16.791.00	379.828.84
	814	1.200.000.00	M	Apr 1, 1965-90	C	3½	5½	66.000.00	30.809.00	957.074.48
	4025/85	21.750.000.00	UW	July 16, 1985-90	Lon	5	10 5/8	2.310.937 50	652.500.00	667.516.64
	1719	2.050.000.00	M	Oct 1, 1970-90	C	4	9¼	189.625.00	68.843.00	1.517.449 67
	4246/86	8.300.000.00	UW	Dec 1, 1986-90	C	5	9 3/8	778.125.00	249.000.00	—
	2835/80	625.990.91	UW	Dec 31, 1980-90	C	Serial	13½	84.508 10	128.086.08	—
	1802	1.220.000.00	M	Apr 1, 1971-91	C	4	7½	91.500.00	40.970.00	844.999 84
	3807/84	18.485.200.00	UW	Sept 30, 1984-91	Lon	5	12¾	2.356.863.00	554.556.00	1.151.167 39
	3327/82	3.500.000.00	UW	Dec 31, 1982-92	C	5	12¾	446.250.00	278.266 01	1.199.361 29
	386	268.000.00	M	May 1, 1963-93	C	Serial	5¼	13.203 75	33.000.00	—
	4247/86	23.600.000.00	UW	May 1, 1986-93	Lon	5	9 3/8	2.218.661 70	708.000.00	—
	2834/80	8.797.000.00	UW	Dec 31, 1980-95	C	Serial	13½	1.187.595.00	559.000.00	—
	1005	1.552.000.00	M	Mar 1, 1966-96	C	Serial	6	89.610.00	117.000.00	—
	1158/76	6.230.000.00	UW	Mar 1, 1976-91/96	NY	5	9¼	576.275.00	188.411 32	2.468.830 21(1)
	4347/86	6.779.881 65	UW	Aug 1, 1986-96	C	5	9¾	661.038 46	203.396 45	—
	2179/79	12.133.332 40	UW	Jan 23, 1979-99	NY	Serial	9¾	1 137.499 88	609.085 58	3.188.541.37(4)
		$137.136.404 96						$13.758.417 39	$5.044.948 44	$30.031.185 88

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(1) Recorded at par with Canadian Dollar—equivalent in U.S. Dollars provided for by Sinking Fund and Foreign Exchange Reserves
(3) Principal amount does not include $420.788 89 provided from General Revenue Fund appropriations and/or Sinking Fund Surplus to maintain full Sinking Fund provision at maturity
(4) Deferred Serial—Provision for repayment on Sinking Fund basis
(6) Extended to May 1, 1988. Fully Accumulated as at May 1, 1983
(E) Extendible to May 16, 1996 at 14%

GENERAL DEBENTURE DEBT—Continued

Purpose of Issue	By-Law No	Amount of Debt	Issued By	Term of Debt	Payable	Interest Rates %		Annual Charges 1987		Sinking Fund Reserve at Dec 31 1986
						Sinking Fund	Debt	Interest	Principal Amortization	
Land Drainage										
(Storm Water Relief Sewers. Drainage Sewers and Flood Control)	1586/77	$ 3 186.000 00	UW	May 15. 1977-87	NY	5	8¼	$ 262.845 00	$ 95.580 00(3)	$ 2.881.046 14(1)
	19430	300.000 00	W	June 1. 1967-87	C	4	6¼	9.375 00	10.074 52	285.281 59
	2622/80(E)	1 800.000 00	UW	May 16 1980-88	C	5	14	252.000 00	90.000 00	631.375 92
	19573	565.000 00	W	June 1. 1968-88	C	4	7½	42.375 00	18.973 69	497.946 25
	18869	98.000 00	W	Oct 1. 1963-88	C	Serial	5½ & 5¾	5.635 00	48.000 00	—
	19679	245.000 00	W	May 1. 1969-89	C	4	8¼	20.212 50	8.227 53	200.185 47
	749/74	88.668 44	UW	Nov 1. 1974-89	C	5	8¾	7.758 49	4.109 10	65.942 70
	800/74	736.681 40	UW	Nov 1. 1974-89	C	5	10¾	79.193 25	34.139 50	547.869 50
	4025/85	6.150.000 00	UW	July 16. 1985-90	Lon	5	10 5/8	653.437 50	184.500 00	188.746 08
	2835/80	2.487.876 25	UW	Dec 31. 1980-90	C	Serial	13½	335.862 75	509.055 87	—
	19230	147.630 09	W	Feb 1. 1966-91	C	Instal	5 5/8	7.935 12	26.517 95	—
	19321	79.638 67	W	June 1. 1966-91	C	Instal	5¼	4.181 03	14.340 80	—
	19322	105.610 01	W	June 1. 1966-91	C	Instal	5 3/8	5.676 54	18.970 12	—
	3807/84	10.103.400 00	UW	Sept 30. 1984-91	Lon	5	12¾	1.288.183 50	303.102 00	629.190 09
	19363	85.703 31	W	Dec 1. 1966-91	C	Instal	5 5/8	4.820 81	15.317 73	—
	19852	1.000.000 00	W	Dec 1. 1971-91	C	4	7¾	77.500 00	33.581 75	674.637 83
	3326/82	2.192.800 00	UW	Dec 31. 1982-92	C	Serial	12 3/8	271.359 00	267.600 00	—
	4247/86	4.750.000 00	UW	May 1. 1986-93	Lon	5	9 40	446.983 14	142.500 00	—
	885/75	3.500.000 00	UW	Mar 17. 1975-95	C	5	9¾	341.250 00	105.849 05	1.563.307 89
	1158/76	10.000.000 00	UW	Mar 1. 1976-91/96	NY	5	9¼	925.000 00	302.425 87	3.962.809 23(1)
	4347/86	30.032.318 25	UW	Aug 1. 1986-96	C	5	9¾	2.928.151 02	900.969 55	—
	1853/78	11.000.000 00	UW	Feb 1. 1978-98	C	5	9¾	1.072.500 00	332.668 46	3.321.596 38
	2179/79	1.733.333 20	UW	Jan 23. 1979-99	NY	Serial	9¾	162.499 97	87.012 23	455.505 95(4)
	2424/79	667.325 95	UW	June 1. 1979-2009	C	Instal	10	68.400 91	8.109 88	—
	2581/80	1.436.890 06	UW	Jan 1. 1980-2010	C	Instal	10	147.281 23	15.666 10	—
	Various	5.100 00	FG	Various to 1987	C	Ser & Instal	5 3/8 - 9¼	384 66	5.100 00	—
	Various	1.421 32	SJ	Various to 1987	C	Ser & Instal	5¾ to 7	98 09	1.421 32	—
	Various	235.600 00	SV	Various to 1990	C	Ser & Instal	8 to 9¼	20.129 00	85.900 00	—
	Various	484.780 00	TR	Various to 1990	C	Serial	8 to 9¼	39.720 40	255.320 00	—
	Various	36.204 78	T	Various to 1990	C	Ser & Instal	5¼ to 9¼	3.224 77	10.323 42	—
		$93.254.981 73						$9.483.973 68	$3.935.356 44	$15.905.441 02

(1) Recorded at par with Canadian Dollar—equivalent in U.S. Dollars provided for by Sinking Fund and Foreign Exchange Reserves

(3) Principal amount does not include $157.721.57 provided from General Revenue Fund appropriations and/or Sinking Fund Surplus to maintain full Sinking Fund provision at maturity

(4) Deferred Serial—Provision for repayment on Sinking Fund basis

(E) Extendible to May 16. 1996 at 14%

GENERAL DEBENTURE DEBT—Continued

						Interest Rates %		Annual Charges 1987		
Purpose of Issue	By-Law No.	Amount of Debt	Issued By	Term of Debt	Payable	Sinking Fund	Debt	Interest	Principal Amortization	Sinking Fund Reserve at Dec. 31, 1986
Solid Waste Disposal										
(Incinerators, Land Fill and Disposal Sites)	4025/85	$ 620,000.00	UW	July 16, 1985-90	Lon	5	10 5/8	$ 65,875.00	$ 18,600.00	$ 19,028.06
	2835/80	694,494.57	UW	Dec. 31, 1980-90	C	Serial	13½	93,757.71	142,105.41	—
	3807/84	31,000.00	UW	Sept. 30, 1984-91	Lon	5	12¾	3,952.50	930.00	1,930.53
	3326/82	511,654.00	UW	Dec. 31, 1982-92	C	Serial	12 3/8	64,149.52	62,439.78	—
	4247/86	1,250,000.00	UW	May 1, 1986-93	Lon	5	9.40	117,841.00	37,500.00	—
	68/66B	36,409.91	WK	Dec. 31, 1965-95	C	Instal.	6	2,184.60	3,168.47	—
	4347/86	1,167,923.48	UW	Aug. 1, 1986-96	C	5	9¾	113,872.54	35,037.71	—
	1853/78	2,500,000.00	UW	Feb. 1, 1978-98	C	5	9¾	243,750.00	75,606.47	754,908.27
	2179/79	866,666.60	UW	Jan. 23, 1979-99	NY	Serial	9¾	81,250.00	43,506.11	227,752.93(4)
		$ 7,678,148.56						$ 786,632.87	$418,893.95	$ 1,003,619.79
Culture and Recreation	1168	$ 9,879.56	M	Feb. 1, 1967-87	C	Instal.	5 5/8	$ 555.72	$ 9,879.56	$ —
(Parks, Swimming Pools, Arenas, Golf Courses, Zoo, Libraries, etc.)	1159	325,000.00	M	Mar. 1, 1967-87	C	4	6	9,750.00	10,914.00	312,098.15(1)
	1586/77	16,731,000.00	UW	May 15, 1977-87	NY	5	8¼	1,380,307.50	501,930.00(3)	15,129,561.85(1)
	1244	15,561.36	M	Sept. 1, 1967-87	C	Instal.	5 5/8	875.32	15,561.36	—
	1223	530,000.00	M	Nov. 1, 1967-85/87	NY	4	6½	34,450.00	17,798.00	495,730.81(1)
	1852/78	12,325,000.00	UW	Feb. 1, 1978-88	C	5	9	1,109,250.00	979,893.89	9,783,951.28
	1308	340,000.00	M	May 1, 1968-83/88	NY	4	7¼	24,650.00	—	340,000.00(1)(6)
	2622/80(E)	3,000,000.00	UW	May 16, 1980-88	C	5	14	420,000.00	150,000.00	1,052,293.18
	1533	650,000.00	M	July 1, 1969-89	NY	4	8	52,000.00	21,829.00	527,667.21(1)
	710	650,000.00	M	Oct. 1, 1964-84/89	NY	3½	4¾	30,875.00	16,688.00	544,212.44(1)
	1659	17,075.80	C	Nov. 1, 1969-89	C	Serial	8	1,366.06	10,893.00	—
	749/74	35,465.78	UW	Nov. 1, 1974-89	C	5	8¾	3,103.26	1,643.56	26,375.77
	800/74	294,659.30	UW	Nov. 1, 1974-89	C	5	10¾	31,675.87	13,655.19	219,137.99
	1633	400,000.00	M	Feb. 1, 1970-90	C	4	9½	38,000.00	13,433.00	303,867.60
	4025/85	3,050,000.00	UW	July 16, 1985-90	Lon	5	10 5/8	324,062.50	91,500.00	93,605.78
	1719	150,000.00	M	Oct. 1, 1970-90	C	4	9¼	13,875.00	5,037.00	111,026.47

(1) Recorded at par with Canadian Dollar—equivalent in U.S. Dollars provided for by Sinking Fund and Foreign Exchange Reserves.
(3) Principal amount does not include $828,261.04 provided from General Revenue Fund appropriations and/or Sinking Fund Surplus to maintain full Sinking Fund provision at maturity.
(4) Deferred Serial—Provision for repayment on Sinking Fund basis.
(6) Extended to May 1, 1988. Fully Accumulated May 1, 1983.
(E) Extendible to May 16, 1996 at 14%.

GENERAL DEBENTURE DEBT—Continued

						Interest Rates %		Annual Charges 1987		
Purpose of Issue	By-Law No	Amount of Debt	Issued By	Term of Debt	Payable	Sinking Fund	Debt	Interest	Principal Amortization	Sinking Fund Reserve at Dec. 31, 1986
Culture and Recreation—continued										
	70/70	$ 111.000.00	TR	Dec. 1, 1970-90	C	Serial	9¼	$ 10,267.50	$ 24,000.00	$ —
	2835/80	1.237.007.30	UW	Dec. 31, 1980-90	C	Serial	13½	166,996.12	253,110.40	—
	1802	60.000.00	M	Apr. 1, 1971-91	C	4	7½	4,500.00	2,015.00	41,559.05
	3807/84	2.703.760.00	UW	Sept. 30, 1984-91	Lon	5	12¾	344,729.40	81,112.80	168,376.88
	1891	300.000.00	M	Nov. 1, 1971-91	C	4	8¼	24,750.00	10,075.00	203,064.12
	3326/82	1.461.866.00	UW	Dec. 31, 1982-92	C	Serial	12 3/8	180,073.58	178,400.22	—
	4247/86	2.500.000.00	UW	May 1, 1986-93	Lon	5	9.40	235,682.00	75,000.00	—
	383/73	900.000.00	UW	June 1, 1973-93	C	4	8 1/8	73,125.00	30,223.58	514,252.67
	885/75	1.500.000.00	UW	Mar. 17, 1975-95	C	5	9¾	146,250.00	45,363.88	669,989.04
	16/68B	60.108.14	WK	Dec. 1, 1968-95	C	Instal.	0	—	6,678.66	—
	1005	320.000.00	M	Mar. 1, 1966-96	C	Serial	6	18,450.00	25,000.00	—
	1158/76	15.000.000.00	UW	Mar. 1, 1976-91/96	NY	5	9¼	1,387,500.00	453,638.81	5,944,213.95(1)
	4347/86	9.259.964.78	UW	Aug. 1, 1986-96	C	5	9¾	902,846.58	277,798.94	—
	1243	124.909.76	M	Sept. 1, 1967-97	C	Instal.	5 5/8	7,026.17	8,509.16	—
	1853/78	1.500.000.00	UW	Feb. 1, 1978-98	C	5	9¾	146,250.00	45,363.88	452,944.95
	2179/79	866.666.60	UW	Jan. 23, 1979-99	NY	Serial	9 ¾	81,250.00	43,506.11	227,752.97(4)
		$76.428.924.38						$7,204,492.58	$3,420,452.00	$37,161,682.16
Protection	1586/77	$ 583.000.00	UW	May 15, 1977-87	NY	5	8¼	$ 48,097.50	$ 17,490.00(3)	$ 527,197.11(1)
(Firehalls, Police Garage and Public Safety Building)	19430	690.000.00	W	June 1, 1967-87	C	4	6¼	21,562.50	23,171.41	656,148.17
	1852/78	500.000.00	UW	Feb. 1, 1978-88	C	5	9	45,000.00	39,752.29	396,914.88
	4772B	62.000.00	SB	Oct. 1, 1969-89	C	Serial	7	4,340.00	19,000.00	—
	4025/85	680.000.00	UW	July 16, 1985-90	Lon	5	10 5/8	72,250.00	20,400.00	20,869.49
	19297	90.555.72	W	Apr. 1, 1966-91	C	Instal.	5 3/8	4,867.37	16,266.01	—
	3807/84	1.156.015.00	UW	Sept. 30, 1984-91	Lon	5	12¾	147,391.91	34,680.45	71,990.93
	19351	620.884.19	W	Oct. 1, 1966-91	C	Instal.	5 3/8	33,372.53	111,525.89	—
	4247/86	2,090.000.00	UW	May 1, 1986-93	Lon	5	9.40	195,047.18	62,700.00	—
	4347/86	3.839.536.77	UW	Aug. 1, 1986-96	C	5	9¾	374,354.82	115,186.10	—
	2179/79	866.666.60	UW	Jan. 23, 1979-99	NY	Serial	9¾	81,250.00	43,506.11	227,752.92(4)
		$11.178.658.28						$1,027,533.81	$ 503,678.26	$ 1,900,873.50
Health and Social Development	1852/78	$ 175.000.00	UW	Feb. 1, 1978-88	C	5	9	$ 15,750.00	$ 13,913.30	$ 138,920.18
(Urban Renewal, Community Health Centres and Hospital Capital Grants)	2622/80(E)	200.000.00	UW	May 16, 1980-88	C	5	14	28,000.00	10,000.00	70,152.87
	1633	500.000.00	M	Feb. 1, 1970-90	C	4	9½	47,500.00	16,791.00	379,828.84
	4025/85	1.600.000.00	UW	July 16, 1985-90	Lon	5	10 5/8	170,000.00	48,000.00	49,104.67
	1719	500.000.00	M	Oct. 1, 1970-90	C	4	9¼	46,250.00	16,791.00	370,110.22
	1802	720.000.00	M	Apr. 1, 1971-91	C	4	7½	54,000.00	24,179.00	498,688.12
	4247/86	1.800.000.00	UW	May 1, 1986-93	Lon	5	9.40	170,666.28	54,000.00	—
	4347/86	3.294.169.93	UW	Aug. 1, 1986-96	C	5	9¾	321,181.58	98,825.10	—
	2179/79	1.733.333.20	UW	Jan. 23, 1979-99	NY	Serial	9¾	162,499.98	87,012.23	455,505.95(4)
		$10.522.503.13						$1,015,847.84	$ 369,511.63	$ 1,962,310.85

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(1) Recorded at par with Canadian Dollar—equivalent in U.S. Dollars provided for by Sinking Fund and Foreign Exchange Reserves.
(3) Principal amount does not include $28.861.17 provided from General Revenue Fund appropriations and/or Sinking Fund Surplus to maintain full Sinking Fund provision at maturity.
(4) Deferred Serial—Provision for repayment on Sinking Fund basis.
(E) Extendible to May 16, 1996 at 14%.

GENERAL DEBENTURE DEBT—Continued

						Interest Rates %		Annual Charges 1987		
Purpose of Issue	By-Law No.	Amount of Debt	Issued By	Term of Debt	Payable	Sinking Fund	Debt	Interest	Principal Amortization	Sinking Fund Reserve at Dec. 31, 1986
General Government										
(Administration and Council Buildings, Parking Garage, Refunding issues and Signals Building)	19430	$ 600,000.00	W	June 1, 1967-87	C	4	6¼	$ 18,750.00	$ 20,149.05	$ 570,563.60
	19573	325,000.00	W	June 1, 1968-88	C	4	7½	24,375.00	10,914.07	286,429.26
	18869	490,000.00	W	Oct. 1, 1963-88	C	Serial	5½ & 5¾	28,175.00	238,000.00	—
	19050	2,500,000.00	W	Nov. 1, 1964-84/89	NY	4	4¾	118,750.00	60,029.93	2,069,421.41(1)
	4025/85	226,000.00	UW	July 16, 1985-90	Lon	5	10 5/8	24,012.50	6,780.00	6,936.03
	19336	370,667.52	W	Aug. 1, 1966-91	C	Instal.	5 3/8	19,923.38	66,580.89	—
	3614/83	27,722.16	UW	Dec. 15, 1983-93	C	Instal.	6 3/8	1,795.46	3,255.00	—
		$ 4,539,389.68						$ 235,781.34	$405,708.94	$2,933,350.30
Downtown Parking	1586/77	$ 1,000,000.00	UW	May 15, 1977-87	NY	5	8¼	$ 82,500.00	$ 30,000.00(3)	$ 904,283.19(1)
	19852	1,000,000.00	W	Dec. 1, 1971-91	C	4	7¾	77,500.00	33,581.75	674,637.83
	1158/76	3,000,000.00	UW	Mar. 1, 1976-91/96	NY	5	9¼	277,500.00	90,727.76	1,188,842.77(1)
	3807/84	337,000.00	UW	Sept. 30, 1984-91	Lon	5	12¾	42,967.50	10,110.00	20,986.70
	4347/86	491,362.09	UW	Aug. 1, 1986-96	C	5	9¾	47,907.80	14,740.86	—
	1853/78	5,000,000.00	UW	Feb. 1, 1978-98	C	5	9¾	487,500.00	151,212.94	1,509,816.57
	2179/79	866,666.60	UW	Jan. 23, 1979-99	NY	Serial	9¾	81,250.00	43,506.11	227,752.92(4)
		$11,695,028.69						$1,097,125.30	$373,879.42	$4,526,319.98
Convention Centre	685/74	$ 942,816.48	UW	Mar. 23, 1973-93	C	Instal.	6.98	$ 65,808.59	$109,012.06	$ —
	383/73	4,100,000.00	UW	June 1, 1973-93	C	4	8 1/8	333,125.00	137,685.18	2,342,706.32
	750/74	4,000,000.00	UW	Aug. 1, 1974-94	C	5	10¾	430,000.00	166,662.43	2,708,023.16
	1158/76	770,000.00	UW	Mar. 1, 1976-91/96	NY	5	9¼	71,225.00	23,286.79	305,136.26(1)
		$ 9,812,816.48						$ 900,158.59	$436,646.46	$5,355,865.74

(1) Recorded at par with Canadian Dollar—equivalent in U.S. Dollars provided for by Sinking Fund and Foreign Exchange Reserves.
(3) Principal amount does not include $49,504.58 provided from General Revenue Fund appropriations and/or Sinking Fund Surplus to maintain full Sinking Fund provision at maturity.
(4) Deferred Serial—Provision for repayment on Sinking Fund basis.

GENERAL DEBENTURE DEBT—Continued

Purpose of Issue	By-Law No.	Amount of Debt	Issued By	Term of Debt	Payable	Interest Rates %		Annual Charges 1987		Sinking Fund Reserve at Dec. 31, 1986
						Sinking Fund	Debt	Interest	Principal Amortization	
Centennial Centre	19430	$ 900.000.00	W	June 1. 1967-87	C	4	6¼	$ 28.125.00	$ 30.223.58	$ 855.845.49
	19488	900.000.00	W	Jan. 2. 1968-83/88	NY	4	6¾	60.750.00	30.223.58	805.930.15(1)
		$ 1.800.000.00						$ 88.875.00	$ 60.447.16	$ 1.661.775.64
Civic Accomodations	4025/85	$ 480.000.00	UW	July 16. 1985-90	Lon	5	10 5/8	$ 51.000.00	$ 14.400.00	$ 14.731.40
	2835/80	1.456.807.58	UW	Dec. 31. 1980-90	C	Serial	13½	196.668.89	298.084.42	—
	3807/84	1.035.225.00	UW	Sept 30. 1984-91	Lon	5	12¾	131.991.19	31.056.75	64.468.73
	3326/82	1.315.680.00	UW	Dec. 31. 1982-92	C	Serial	12 3/8	162.815.40	160.560.00	—
	4247/86	230.000.00	UW	May 1. 1986-93	Lon	5	9.40	20.317.42	6.900.00	—
	4347/86	2.217.386.16	UW	Aug. 1. 1986-96	C	5	9¾	216.195.14	66.521.59	—
	2179/79	1.733.333.20	UW	Jan. 23. 1979-99	NY	Serial	9¾	162.499.97	87.012.23	455.505.96(4)
		$ 8.468.431.94						$ 941.488.01	$ 664.534.99	$ 534.706.09
City Developments/Development Agreements	4347/86	$ 484.564.78	UW	Aug. 1. 1986-96	C	5	9¾	$ 47.245.08	$ 14.536.94	$ —
	2179/79	866.666.60	UW	Jan. 23. 1979-99	NY	Serial	9¾	81.250.00	43.506.11	227.752.92(4)
		$ 1.351.231.38						$ 128.495.08	$ 58.043.05	$ 227.752.92
Old Market Square	2835/80	$ 630.953.76	UW	Dec. 31. 1980-90	C	Serial	13½	$ 85.178.22	$ 129.101.76	$ —
	3807/84	104.400.00	UW	Sept 30. 1984-91	Lon	5	12¾	13.311.00	3.132.00	6.501.52
	3614/83	85.424.11	UW	Dec. 15. 1983-93	C	Instal.	6 3/8	5.532.57	10.030.10	—
		$ 820.777.87						$ 104.021.79	$ 142.263.86	$ 6.501.52
Overhead Walkways	2835/80	$ 60.869.63	UW	Dec. 31. 1980-90	C	Serial	13½	$ 8.218.21	$ 12.456.06	$ —
	3807/84	44.000.00	UW	Sept. 30. 1984-91	Lon	5	12¾	5.610.00	1.320.00	2.740.10
	4247/86	533.000.00	UW	May 1. 1986-93	Lon	5	9.40	48.761.80	15.990.00	—
		$ 637.869.63						$ 62.590.01	$ 29.766.06	$ 2.740.10
Core Area Program	4025/85	$ 4.919.000.00	UW	July 16. 1985-90	Lon	5	10 5/8	$ 522.643.75	$ 147.570.00	$ 150.966.18
	3807/84	6.000.000.00	UW	Sept. 30. 1984-91	Lon	5	12¾	765.000.00	180.000.00	373.650.51
	4247/86	6.500.000.00	UW	May 1. 1986-93	Lon	5	9.40	609.522.46	195.000.00	—
	4347/86	2.245.577.65	UW	Aug. 1. 1986-96	C	5	9¾	218.943.82	67.367.33	—
		$ 19.664.577.65						$ 2.116.110.03	$ 589.937.33	$ 524.616.69
North Portage Development	4025/85	$ 500.000.00	UW	July 16. 1985-90	Lon	5	10 5/8	$ 53.125.00	$ 15.000.00	$ 15.345.21
North Ellice Neighbourhood	4025/85	$ 25.000.00	UW	July 16. 1985-90	Lon	5	10 5/8	$ 2.656.25	$ 750.00	$ 767.26
Total General		$395.514.744.36						$39.007.324.57	$16.469.817.99	$103.754.854.65

(1) Recorded at par with Canadian Dollar—Equivalent in U.S. Dollars provided for by Sinking Fund and Foreign Exchange Reserves.
(4) Deferred Serial—Provision for repayment on Sinking Fund basis.

Debt Issued By

W—City of Winnipeg (former)
UW—The City of Winnipeg (after unification Jan. 1/72)
M—The Metropolitan Corporation of Greater Winnipeg
C—Rural Municipality of Charleswood
FG—Rural Municipality of Fort Garry
SB—City of St. Boniface
SJ—City of St. James-Assiniboia
SV—City of St. Vital
TR—City of Transcona
T—Town of Tuxedo
WK—City of West Kildonan

Local Improvement Debenture Debt

		Amount of Debt					Interest Rates %		Annual Charges 1987		
By-Law No.	Debt Issued By	City at Large	Frontage Owners	Total	Term of Debt	Payable	Sinking Fund	Debt	Interest	Principal Amortization	Sinking Fund Reserve at Dec. 31, 1986
1468/77	UW	$ —	$ 5.500.000.00	$ 5.500.000.00	Feb. 1, 1977-87	C	5	8¾	$ 240.625.00	$ 437,275.16	$ 5,041,588.65
19430	Winnipeg	202.006.40	107.993.60	310.000.00	June 1, 1967-87	C	4	6¼	9.687.50	10.410.34	294,791.09
1812/77	UW	—	5.000.000.00	5.000.000.00	Dec. 15, 1977-87	C	5	8½	425.000.00	397.522.88	4,392,918.92
19573	Winnipeg	2.773.60	107.226.40	110.000.00	June 1, 1968-88	C	4	7½	8.250.00	3.693.99	96.945.23
19679	Winnipeg	151.149.60	103.850.40	255.000.00	May 1, 1969-89	C	4	8¼	21.037.50	8.563.35	208.356.37
749/74	UW	2.519.02	6.346.76	8.865.78	Nov. 1, 1974-89	C	5	8¾	775.75	410.86	6.593.43
800/74	UW	20.928.70	52.730.60	73.659.30	Nov. 1, 1974-89	C	5	10¾	7.918.38	3.413.54	54.780.38
19829	Winnipeg	—	60.000.00	60.000.00	June 15, 1971-91	C	4	8½	5.100.00	2.014.90	41,225.38
		$ 379.377.32	$10.938.147.76	$11.317.525.08					$ 718.394.13	$ 863.305.02	$10.137.199.45
Various	Charleswood	$ —	$ 33.284.00	$ 33.284.00	Various to 1990	C	Ser. & Inst.	5 5/8 to 8	$ 2.662.72	$ 16.315.00	$ —
Various	Fort Garry	997.92	24.712.07	25.709.99	Various to 1991	C	Ser. & Inst.	5 3/8 - 9¼	2.072.70	10.394.27	—
Various	St. Boniface	—	31.930.99	31.930.99	Various to 1990	C	Ser. & Inst.	6 to 9	2.387.67	13.061.80	—
Various	St. James-Assiniboia	17.697.57	14.778.40	32.475.97	Various to 1987	C	Ser. & Inst.	5¾ to 7	2.274.73	32.475.97	—
Various	St. Vital	—	89.400.00	89.400.00	Various to 1990	C	Ser. & Inst.	8 to 9¼	7.821.00	25.100.00	—
Various	Transcona	—	84.220.00	84.220.00	Various to 1990	C	Serial	8 to 9¼	7.199.60	32.680.00	—
Various	Tuxedo	51.654.40	254.070.00	305.724.40	Various to 1991	C	Ser. & Inst.	5½ to 9¼	26.408.49	99.300.60	—
		$ 70.349.89	$ 532.395.46	$ 602.745.35					$ 50.826.91	$ 229.327.64	$ —
		$ 449.727.21	$11.470.543.22	$11.920.270.43					$ 769.221.04	$1.092.632.66	$10.137.199.45
							City at Large		$ 27.320.66	$ 46.295.45	$ 335.480.11
							Frontage Owners		741.900.38	1.046.337.21	9.801.719.34
									$ 769.221.04	$1.092.632.66	$10.137.199.45

The Winnipeg School Division No. 1 Debenture Debt *

				Interest Rates %		Annual Charges 1987		
By-Law No.	Amount of Debt	Term of Debt	Payable	Sinking Fund	Debt	Interest	Principal Amortization	Sinking Fund Reserve at Dec. 31, 1986
* 18869	$462,000.00	Oct. 1, 1963-88	C	Serial	5½ & 5¾	$ 26,565.00	$ 224,000.00	$ —

*Excludes debt issued direct by The Winnipeg School Division No. 1.

City Owned Utilities—Debenture Debt

Hydro Electric System

By-Law No.	Debt Issued By	Amount of Debt	Term of Debt	Payable	Interest Rates %		Annual Charges 1987		Sinking Fund Reserve at Dec. 31, 1986
					Sinking Fund	Debt	Interest	Principal Amortization	
19488	W	$ 1,600,000.00	Jan. 2, 1968-83/88	NY	4	6¾	$ 108,000.00	$ 53,730.80	$ 1,432,764.41(1)
2622/80(E)	UW	10,500,000.00	May 16, 1980-88	C	5	14	1,470,000.00	525,000.00	3,683,026.13
19573	W	1,000,000.00	June 1, 1968-88	C	4	7½	75,000.00	33,581.75	881,320.82
18869	W	76,000.00	Oct. 1, 1963-88	C	Serial	5½ & 5¾	4,370.00	37,000.00	—
19050	W	4,000,000.00	Nov. 1, 1964-84/89	NY	4	4¾	190,000.00	96,047.88	3,311,073.98(1)
749/74	UW	88,665.78	Nov. 1, 1974-89	C	5	8¾	7,758.26	4,108.98	65,940.81
800/74	UW	736,659.30	Nov. 1, 1974-89	C	5	10¾	79,190.87	34,138.47	547,852.98
4025/85	UW	2,000,000.00	July 16, 1985-90	Lon	5	10 5/8	212,500.00	60,000.00	61,380.84
19775	W	3,000,000.00	Dec. 1, 1970-90	C	4	9¼	277,500.00	100,745.25	2,205,946.54
19829	W	1,000,000.00	June 15, 1971-91	C	4	8½	85,000.00	33,581.75	687,091.51
3807/84	UW	7,000,000.00	Sept. 30, 1984-91	Lon	5	12¾	892,500.00	210,000.00	435,925.59
19852	W	3,000,000.00	Dec. 1, 1971-91	C	4	7¾	232,500.00	100,745.25	2,023,913.53
585/74	UW	10,000,000.00	Apr. 1, 1974-94	C	5	8¾	875,000.00	302,425.87	4,994,431.09
1158/76	UW	10,000,000.00	Mar. 1, 1976-91/96	NY	5	9¼	925,000.00	302,425.87	3,962,809.24(1)
1853/78	UW	2,000,000.00	Feb. 1, 1978-98	C	5	9¾	195,000.00	60,485.17	603,926.60
		$56,001,325.08					$5,629,319.13	$1,954,017.04	$24,897,404.07

Steam Heating System

18869	W	$ 37,000.00	Oct. 1, 1963-88	C	Serial	5½ & 5¾	$ 2,127.50	$ 18,000.00	$ —

(1) Recorded at par with Canadian Dollar—equivalent in U.S. Dollars provided for by Sinking Fund and Foreign Exchange Reserves.
(E) Extendible to May 16, 1996 at 14%.

Debt Issued by

W—City of Winnipeg (former)
UW—The City of Winnipeg (after unification January 1, 1972)

City Owned Utilities—Debenture Debt

Transit System

By-Law No.	Debt Issued By	Amount of Debt	Term of Debt	Payable	Interest Rates %		Annual Charges 1987		Sinking Fund Reserve at Dec. 31, 1986
					Sinking Fund	Debt	Interest	Principal Amortization	
2622/80(E)	UW	$ 1,500,000.00	May 16, 1980-88	C	5	14	$ 210,000.00	$ 75,000.00	$ 526,146.59
1421	M	4,500,000.00	Dec. 1, 1968-85/88	NY	4	7½	337,500.00	151,118.00	3,888,224.81(1)
1533	M	2,000,000.00	July 1, 1969-89	NY	4	8	160,000.00	67,164.00	1,623,539.34(1)
1633	M	1,100,000.00	Feb. 1, 1970-90	C	4	9½	104,500.00	36,940.00	835,618.94
4025/85	UW	1,000,000.00	July 16, 1985-90	Lon	5	10 5/8	106,250.00	30,000.00	30,690.42
4246/86	UW	6,960,000.00	Dec. 1, 1986-90	C	5	9 3/8	652,500.00	208,800.00	—
4347/86	UW	1,668,462.13	Aug. 1, 1986-96	C	5	9¾	162,675.06	50,053.86	—
		$18,728,462.13					$1,733,425.06	$619,075.86	$6,904,220.10

(1) Recorded at par with Canadian Dollar—equivalent in U.S. Dollars provided for by Sinking Fund and Foreign Exchange Reserves.
(E) Extendible to May 16, 1996 at 14%.

Debt Issued by

M—Metropolitan Corporation of Greater Winnipeg.
UW—The City of Winnipeg (after unification Jan. 1/72).

City Owned Utilities—Debenture Debt

Water Works System

By-Law No.	Debt Issued By	Amount of Debt	Term of Debt	Payable	Interest Rates %		Annual Charges 1987		Sinking Fund Reserve at Dec. 31, 1986
					Sinking Fund	Debt	Interest	Principal Amortization	
1586/77	UW	$ 6,500,000.00	May 15, 1977-87	NY	5	8¼	$ 536,250.00	$ 65,000.00 (3)	$ 5,877,840.71 (1)
19488	W	500,000.00	Jan. 2, 1968-83/88	NY	4	6¾	33,750.00	16,790.87	447,738.72 (1)
2622/80(E)	UW	4,500,000.00	May 16, 1980-88	C	5	14	630,000.00	225,000.00	1,578,439.77
749/74	UW	44,334.22	Nov. 1, 1974-89	C	5	8¾	3,879.24	2,054.55	32,971.34
800/74	UW	368,340.70	Nov. 1, 1974-89	C	5	10¾	39,596.63	17,069.75	273,934.75
4025/85	UW	1,000,000.00	July 16, 1985-90	Lon	5	10 5/8	106,250.00	30,000.00	30,690.42
4246/86	UW	200,000.00	Dec. 1, 1986-90	C	5	9 3/8	18,750.00	6,000.00	—
19829	W	500,000.00	June 15, 1971-91	C	4	8½	42,500.00	16,790.88	343,545.86
3807/84	UW	1,000,000.00	Sept. 30, 1984-91	Lon	5	12¾	127,500.00	10,000.00	20,758.36
3327/82	UW	4,000,000.00	Dec. 31, 1982-92	C	5	12¾	510,000.00	318,018.30	1,370,698.62
383/73	UW	2,000,000.00	June 1, 1973-93	C	4	8 1/8	162,500.00	67,163.49	1,142,783.38
885/75	UW	2,500,000.00	Mar. 17, 1975-95	C	5	9¾	243,750.00	75,606.47	1,116,648.58
1158/76	UW	5,000,000.00	Mar. 1, 1976-91/96	NY	5	9¼	462,500.00	151,212.94	1,981,404.69 (1)
4347/86	UW	8,864,552.41	Aug. 1, 1986-96	C	5	9¾	864,293.86	265,936.57	—
1853/78	UW	3,500,000.00	Feb. 1, 1978-98	C	5	9¾	341,250.00	105,849.06	1,056,871.63
2403/79	UW	136,760.63	Apr. 1, 1979-99	C	Instal.	9 5/8	13,479.95	5,630.21	—
2675/80	UW	461,446.36	May 1, 1980-2000	C	Instal.	11	52,154.97	14,996.37	—
2676/80	UW	2,265,986.75	May 1, 1980-2000	C	Instal.	9½	220,381.37	82,632.18	—
2709/80	UW	56,942.04	June 1, 1980-2000	C	Instal.	9 5/8	5,612.55	2,056.81	—
2710/80	UW	83,093.09	June 1, 1980-2000	C	Instal.	10	8,517.04	2,916.67	—
		$43,481,456.20					$4,422,915.61	$1,480,725.12	$15,274,326.83
1159	M	$ 220,000.00	Mar. 1, 1967-87	C	4	6	$ 6,600.00	$ 7,387.00	$ 211,239.64
1308	M	700,000.00	May 1, 1968-83/88	NY	4	7¼	50,750.00	—	700,000.00 (1)(6)
1421	M	500,000.00	Dec. 1, 1968-85/88	NY	4	7½	37,500.00	16,791.00	432,027.84 (1)
514	M	3,300,000.00	Dec. 2, 1963-88	C	3½	5½	181,500.00	84,725.00	2,927,777.59
579	M	2,160,000.00	May 1, 1964-89	C	3½	5½	118,800.00	55,456.00	1,834,778.94
710	M	700,000.00	Oct. 1, 1964-84/89	NY	3½	4¾	33,250.00	17,972.00	586,084.99 (1)
814	M	500,000.00	Apr. 1, 1965-90	C	3½	5½	27,500.00	12,837.00	398,778.46
1719	M	1,300,000.00	Oct. 1, 1970-90	C	4	9¼	120,250.00	43,656.00	962,273.33
1891	M	225,000.00	Nov. 1, 1971-91	C	4	8¼	18,562.50	7,556.00	152,293.03
386	M	960,000.00	May 1, 1963-93	C	Serial	5¼	47,328.75	117,000.00	—
858	M	84,213.42	July 2, 1965-95	C	Instal.	5 3/8	4,526.47	7,520.17	—
1013	M	104,982.20	Apr. 1, 1966-96	C	Instal.	5 3/8	5,642.04	8,200.48	—
1108	M	157,899.67	Apr. 1, 1966-96	C	Instal.	5 3/8	8,487.11	12,335.67	—
1163	M	158,394.86	Oct. 1, 1966-96	C	Instal.	5 3/8	8,513.72	12,374.36	—
1466	M	841,948.29	Nov. 1, 1968-98	C	Instal.	5 5/8	47,359.59	51,011.19	—
		$11,912,438.44					$ 716,570.18	$ 454,821.87	$ 8,205,253.82

(1) Recorded at par with Canadian Dollar—equivalent in U.S. Dollars provided for by Sinking Fund and Foreign Exchange Reserves.

(3) Principal amount does not include $451,779.74 provided from Water Works System operations and/or Sinking Fund Surplus to maintain full Sinking Fund provision at maturity.

(6) Extended to May 1, 1988. Fully Accumulated as at May 1, 1983

(E) Extendible to May 16, 1996 at 14%.

CITY OWNED UTILITIES—DEBENTURE DEBT
WATER WORKS SYSTEM—Continued

By-Law No.	Debt Issued By	Amount of Debt	Term of Debt	Payable	Interest Rates %		Annual Charges 1987		Sinking Fund Reserve at Dec. 31, 1986
					Sinking Fund	Debt	Interest	Principal Amortization	
5184	FG	$ 5.10	Various to 1987	C	Ser.& Inst.	6½ to 7	$ .36	$ 5.10	$ —
Various	SB	74,151.64	Various to 1990	C	Instal.	6 to 9	5,265.75	22,848.63	—
Various	SJ	800.33	Various to 1987	C	Ser.& Inst.	5¾ to 7	56.05	800.33	—
8217	SV	18,162.94	Dec. 31, 1968-88	C	Inst.	8	1,453.04	8,732.18	—
Various	T	8,646.86	Various to 1990	C	Ser.& Inst.	5¼ to 9¼	761.25	2,605.04	—
		$ 101,766.87					$ 7,536.45	$ 34,991.28	$ —
TOTAL WATER WORKS SYSTEM		$55,495,661.51					$5,147,022.24	$1,970,538.27	$23,479,480.65

Debt Issued by

W—City of Winnipeg (former)
UW—The City of Winnipeg (after unification Jan. 1/72)
M—The Metropolitan Corporation of Greater Winnipeg
FG—R.M. of Fort Garry
NK—R.M. of North Kildonan
SB—City of St. Boniface
SJ—City of St. James-Assiniboia
SV—City of St. Vital
T—Town of Tuxedo

City Owned Utilities—Debenture Debt
Sewage Disposal System

By-Law No.	Debt Issued By	Amount of Debt	Term of Debt	Payable	Interest Rates %		Annual Charges 1987		Sinking Fund Reserve at Dec. 31, 1986
					Sinking Fund	Debt	Interest	Principal Amortization	
1586/77	UW	$ 3,500,000.00	May 15, 1977-87	NY	5	8¼	$ 288,750.00	$ 35,000.00 (3)	$3,164,991.09(1)
2622/80(E)	UW	2,500,000.00	May 16, 1980-88	C	5	14	350,000.00	125,000.00	876,910.99
4025/85	UW	6,000,000.00	July 16, 1985-90	Lon	5	10 5/8	637,500.00	180,000.00	184,142.52
4245/86	UW	14,840,000.00	Dec. 1, 1986-90	C	5	93/8	1,391,250.00	445,200.00	—
3807/84	UW	2,000,000.00	Sept. 30, 1984-91	Lon	5	12¾	255,000.00	20,000.00	41,516.72
885/75	UW	2,500,000.00	Mar. 17, 1975-95	C	5	9¾	243,750.00	75,606.47	1,116,648.58
4347/86	UW	14,654,299.92	Aug. 11986-96	C	5	9¾	1,428,794.24	439,629.00	—
1853/78	UW	4,500,000.00	Feb. 1, 1978-98	C	5	9¾	438,750.00	136,091.64	1,358,834.86
2316/79	UW	305,673.86	Feb. 1, 1979-99	C	Instal.	10	31,331.57	12,259.62	—
2402/79	UW	431,400.79	Apr. 1, 1979-99	C	Instal.	9 5/8	42,521.46	17,760.05	—
2813/80	UW	2,346,230.52	Oct. 1, 1980-2000	C	Instal.	10	240,488.63	82,355.49	—
597/74	UW	59,594.11	Jan. 1, 1973-2003	C	Instal.	8¼	5,017.92	1,699.58	—
598/74	UW	2,540,176.15	June 1, 1973-2003	C	Instal.	8¼	213,886.80	72,442.94	—
599/74	UW	42,224.69	Jan. 1, 1973-2003	C	Instal.	7¾	3,335.82	1,262.49	—
600/74	UW	64,455.50	Jan. 1, 1973-2003	C	Instal.	7½	4,924.80	1,972.93	—
601/74	UW	200,751.02	Jan. 1, 1973-2003	C	Instal.	7¼	14,818.25	6,290.16	—
602/74	UW	52,291.21	Jan. 1, 1973-2003	C	Instal.	7½	3,995.38	1,600.59	—
684/74	UW	125,763.98	Dec. 1, 1973-2003	C	Instal.	8¼	10,589.52	3,586.67	—
996/75	UW	372,195.22	Apr. 1, 1975-2005	C	Instal.	7½	28,438.04	9,321.30	—
997/75	UW	585,930.54	Apr. 1, 1975-2005	C	Instal.	7 7/8	47,050.46	14,093.02	—
998/75	UW	33,277.44	Apr. 1, 1975-2005	C	Instal.	7½	2,542.60	833.41	—
1292/76	UW	1,383,309.04	Nov. 1, 1975-2005	C	Instal.	7½	105,693.46	34,643.73	—
1293/76	UW	50,497.83	Jan. 1, 1976-2006	C	Instal.	8	4,120.62	1,084.10	—
1294/76	UW	460,993.63	Feb. 1, 1976-2006	C	Instal.	10¾	50,888.65	7,148.27	—
1482/77	UW	140,417.74	Dec. 1, 1976-2006	C	Instal.	8	11,458.09	3,014.48	—
1483/77	UW	132,150.88	Dec. 1, 1976-2006	C	Instal.	8	10,783.51	2,837.00	—
2476/79	UW	1,209,530.69	Jan. 1, 1979-2009	C	Instal.	10 3/8	128,743.68	13,931.50	—
2401/79	UW	1,027,955.17	Apr. 1, 1979-2009	C	Instal.	10¾	113,475.01	11,217.93	—
2708/80	UW	803,216.23	June 1, 1980-2010	C	Instal.	10¾	88,666.29	7,817.16	—
		$62,862,336.16					$6,196,564.80	$1,763,699.53	$6,743,044.76
1159	M	$ 1,050,000.00	Mar. 1, 1967-87	C	4	6	$ 31,500.00	$ 35,261.00	$1,008,328.21
1308	M	800,000.00	May 1, 1968-83/88	NY	4	7¼	58,000.00	—	800,000.00(1)(6)
579	M	2,000,000.00	May 1, 1964-89	C	3½	5½	110,000.00	51,348.00	1,698,864.49
710	M	2,600,000.00	Oct. 1, 1964-84/89	NY	3½	4¾	123,500.00	66,753.00	2,176,882.42(1)
814	M	500,000.00	Apr. 1, 1965-90	C	3½	5½	27,500.00	12,837.00	398,778.46
1891	M	675,000.00	Nov. 1, 1971-91	C	4	8¼	55,687.50	22,668.00	456,879.13
586	M	46,689.71	Nov. 1, 1963-93	C	Instal.	5 1/8	2,423.51	5,701.26	—
700	M	58,226.79	Mar. 1, 1964-94	C	Instal.	5 1/8	3,022.36	6,056.18	—
761	M	391,037.75	Aug. 1, 1964-94	C	Instal.	5 1/8	20,297.46	40,671.76	—
859	M	260,457.18	Aug. 1, 1964-94	C	Instal.	5 1/8	13,519.46	27,090.10	—
860	M	129,102.95	Aug. 1, 1964-94	C	Instal.	5¼	6,866.86	13,366.46	—
900	M	33,208.39	Dec. 1, 1964-94	C	Instal.	5 3/8	1,808.94	3,422.38	—
887	M	2,606,078.38	July 1, 1965-95	C	Instal.	5 1/8	135,272.77	234,495.99	—
1032	M	66,163.71	Sept. 1, 1965-95	C	Instal.	5 3/8	3,604.09	5,890.77	—
1135	M	524,920.23	Sept. 1, 1965-95	C	Instal.	5 1/8	27,246.85	47,232.50	—

(1) Recorded at par with Canadian Dollar—equivalent in U.S. Dollars provided for by Sinking Fund and Foreign Exchange Reserves.

(3) Principal amount does not include $243,266.01 provided from Sewage Disposal System operations and/or Sinking Fund Surplus to maintain full Sinking Fund Provision at maturity.

(6) Extended to May 1, 1988. Fully Accumulated as at May 1, 1983

(E) Extendible to May 16, 1996 at 14%.

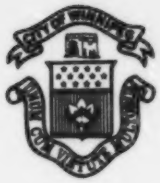
CITY OWNED UTILITIES—DEBENTURE DEBT
SEWAGE DISPOSAL SYSTEM—Continued

By-Law No.	Debt Issued By	Amount of Debt	Term of Debt	Payable	Interest Rates %		Annual Charges 1987		Sinking Fund Reserve at Dec. 31, 1986
					Sinking Fund	Debt	Interest	Principal Amortization	
1033	M	$ 217,336.46	Dec. 1, 1965-95	C	Instal.	5 1/8	$ 11,281.21	$ 19,556.04	$ —
1013	M	50,549.30	Apr. 1, 1966-96	C	Instal.	5 3/8	2,717.78	3,950.18	—
1279	M	28,010.40	Dec. 1, 1967-97	C	Instal.	5 1/8	1,453.93	1,952.06	—
1280	M	251,065.58	Dec. 1, 1967-97	C	Instal.	5 7/8	14,966.74	16,803.58	—
1348	M	17,859.00	Dec. 1, 1967-97	C	Instal.	5 1/8	927.00	1,244.62	—
1443	M	139,428.07	Oct. 1, 1968-98	C	Instal.	6¼	8,850.41	8,098.56	—
1545	M	182,585.69	May 1, 1969-99	C	Instal.	6 3/8	11,825.35	9,377.59	—
1679	M	23,934.82	Jan. 1, 1970-2000	C	Instal.	6 7/8	1,673.80	1,061.88	—
1692	M	148,811.49	Jan. 1, 1970-2000	C	Instal.	6¼	9,446.04	6,910.17	—
1766	M	213,312.43	Oct. 1, 1970-2000	C	Instal.	6 7/8	14,914.29	9,463.91	—
1923	M	375,532.46	Sept. 1, 1971-2001	C	Instal.	8¼	31,620.42	13,384.86	—
		$13,389,310.79					$ 729,929.77	$ 664,597.85	$6,539,732.71
1659	C	$ 10,640.20	Nov. 1, 1969-89	C	Serial	8	$ 851.22	$ 6,792.00	$ —
Various	FG	18,111.82	Various to 1991	C	Ser.& Inst.	5 7/8to8¼	1,374.69	8,724.76	—
Various	SB	16,430.17	Various to 1990	C	Ser.& Inst.	6 to 9	1,426.80	4,944.95	—
Various	SJ	622.74	Various to 1987	C	Ser.& Inst.	5¾ to 7	43.56	622.74	—
Various	T	6,423.96	Various to 1990	C	Ser.& Inst.	5¼ to 9¼	572.99	1,770.94	—
		$ 52,228.89					$ 4,269.26	$ 22,855.39	$ —
TOTAL SEWAGE DISPOSAL SYSTEM		$76,303,875.84					$6,930,763.83	$2,451,152.77	$13,282,777.47

Debt Issued by

W—City of Winnipeg (former)
UW—The City of Winnipeg (after unification Jan. 1/72)
M—The Metropolitan Corporation of Greater Winnipeg
C—R.M. of Charleswood
FG—R.M. of Fort Garry
NK—R.M. of North Kildonan
OK—R.M. of Old Kildonan
SB—City of St. Boniface
SJ—City of St. James-Assiniboia
T—Town of Tuxedo

Windsor Park Golf Course
18 hole, 4741 meters, par 68. Grass greens, club house, licensed dining room, equipment rental and watered fairways.


CITY OF WINNIPEG
UNUM CUM VIRTUTE MULTORUM

Annual Report of the Sinking Fund Trustees

The Sinking Fund Trustees of the City of Winnipeg

His Worship the Mayor
and Members of the Council
of The City of Winnipeg.

Ladies and Gentlemen:

Pursuant to the requirements of The City of Winnipeg Act, the Sinking Fund Trustees submit the 1986 financial statements of the Sinking Fund duly audited comprising the following:

1. Balance Sheets as at December 31, 1986.
2. Income Account for the year ended December 31, 1986.
3. Surplus Account for the year ended December 31, 1986.
4. Reserve Account for Retirement of Debenture Debt for the year ended December 31, 1986.

Assets of the Sinking Fund amounted to $231,693,234, as at December 31, 1986. The Sinking Fund Reserve requirements amounted to $214,180,515, and the balance of $17,512,719, represents funds payable to the City of Winnipeg and unallocated surplus.

The excess of interest earnings over requirements amounted to $13,687,916, for the year and after adding $2,984,522, representing net gains on disposal of securities and deducting administrative expenses amounting to $129,326, the net excess of investment earnings over requirements amounted to $16,543,112. The balance in Surplus Account at December 31, 1985 of $848,370, added to the net investment earnings over requirements of $16,543,112, less appropriations of $2,180,183, to Sinking Fund provision for By-law 1586/77, $5,253,000, towards Foreign Exchange requirements and $9,000,000, towards Commutation of Levies leaves a balance of $958,299, in Surplus Account as at December 31, 1986.

The rates of interest earned by the Fund for the years 1977 to 1986 are shown below:

1977	8.27%	1982	11.35%
1978	8.61%	1983	11.59%
1979	9.69%	1984	11.42%
1980	10.18%	1985	11.68%
1981	10.61%	1986	11.05%

Changes in Sinking Fund Obligations in 1986:

	Sinking Fund Obligations	Sinking Fund Reserve	Net
January 1, 1986	$431,359,333	$210,988,189	$220,371,144
December 31, 1986	403,385,562	215,138,813	188,246,749
	$ 27,973,771	$ 4,150,624	$ 32,124,395
	Decrease	Increase	Decrease

The reserves amounting to $214,180,515, required for the retirement of City of Winnipeg Sinking Fund debt plus the unallocated surplus of $958,298 totals $215,138,813.

The Sinking Fund Trustees administer the assets of the following funds, on which separate reports are being submitted:

Fund	Assets
Sinking Fund	$231,693,234
Workers Compensation Reserve Fund	1,728,394
Parks Reserve Fund	2,282,847
Insurance Reserve Fund	3,712,075
Winnipeg Enterprises Corporation Sinking Fund	1,310,793
	$240,727,343

In 1972 Winnipeg Enterprises Corporation enlarged the seating capacity of the Winnipeg Stadium by the addition of new stands. The cost of construction was financed by the issue of $1,500,000.00 of 8½% sinking fund debentures to mature June 15, 1992. Principal and interest on these debentures was guaranteed by the City of Winnipeg. At the request of City Council, the Sinking Fund Trustees agreed to administer the sinking fund for retiral of the debt at maturity and commencing June 15, 1973 the annual levies are being paid to the Sinking Fund Trustees.

In addition to the above funds the Sinking Fund Trustees administer in trust, allocated income of the following plans. The amounts of the assets administered by the Trustees are:

Fund	Assets
Employee Benefits Board Pension Fund	$268.649.168
Civic Pension Fund	131.487.818
Winnipeg Police Pension Plan	111.660.205
Council Members Pension Fund	31.794
Employee Benefits Board Group Insurance Fund	9.175.576
	$521.004.561

Respectfully submitted.

A. HOWISON
Chairman

C. M. ZEILSTRA
Trustee

M. SMITH
Trustee

L. HUTCHEON
(Commissioner of Finance and City Treasurer) Trustee

D. E. HALL
Secretary

The Sinking Fund Trustees of the City of Winnipeg Balance Sheet

As at December 31, 1986

Assets

	1986			1985	
	Par Value	Book Value	% of Total	Book Value	% of Total
INVESTMENT IN BONDS AND DEBENTURES (Notes 1 and 2)					
Government of Canada and Government of Canada guaranteed	$ 62.685.000	$62.515.875	29	$57.143.332	27
Provincial and Provincial guaranteed	30.325.000	29.722.895	14	30.039.609	14
City of Winnipeg	70.994.832	64.520.538	30	64.870.096	31
City of Winnipeg guaranteed	4.830.000	4.816.052	2	5.787.052	3
Other Canadian cities and municipalities, school districts school divisions and other institutions	20.342.000	20.234.061	9	20.779.812	10
Bank certificates of deposit	17.400.000	17.400.000	8	20.400.000	10
	$206.576.832	199.209.421	92	199.019.901	95
BOND RESIDUES & COUPONS:					
Government of Canada		12.312.688	6	5.596.480	3
Provincial		4.865.903	2	4.312.320	2
		216.388.012	100	208.928.701	100
ACCRUED INTEREST		3.789.571		4.037.686	
CASH		672.652		63.979	
CALL LOANS — CITY OF WINNIPEG		10.075.000		5.355.000	
ACCOUNTS RECEIVABLE (Note 3)		767.999		9.482.761	
		$231.693.234		$227.868.127	

Liabilities, Reserves and Surplus

	1986	1985
APPROPRIATIONS PAYABLE		
City of Winnipeg	$ 16,554,421	$ 16,877,363
RESERVE ACCOUNTS		
Retirement of debenture debt	182,592,034	175,700,938
Foreign exchange requirement	31,588,480	34,438,881
SURPLUS ACCOUNT	958,299	848,370
J. D. O'CONNELL TRUST	—	2,575
	$231,693,234	$227,868,127

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

Auditors' Report

To the Sinking Fund Trustees of
The City of Winnipeg:

We have examined the balance sheet of The City of Winnipeg — Sinking Fund as at December 31, 1986 and the statements of income, surplus account and reserves for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Fund as at December 31, 1986 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Winnipeg, Manitoba
April 6, 1987

Deloitte, Haskins & Sells
Chartered Accountants

The Sinking Fund Trustees of the City of Winnipeg Statement of Income Account

For The Year Ended December 31, 1986

	1986	1985
INTEREST INCOME	$23,782,895	$22,979,586
INTEREST REQUIREMENTS		
Funded debt reserves	9,779,969	8,782,487
Fully accumulated reserves (By-law 1308)(Note 6)	315,000	315,000
O'Connell Trust	10	115
	10,094,979	9,097,602
EXCESS OF INTEREST EARNED OVER REQUIREMENTS	13,687,916	13,881,984
NET GAIN ON DISPOSAL OF INVESTMENTS	2,984,522	2,584,289
	16,672,438	16,466,273
ADMINISTRATION EXPENSES	129,326	129,797
NET INCOME FOR THE YEAR TO SURPLUS ACCOUNT	$16,543,112	$16,336,476

Statement of Surplus Account

For The Year Ended December 31, 1986

	1986	1985
BALANCE, AT BEGINNING OF THE YEAR	$ 848,370	$ 1,340,065
ADD		
Net income for the year	16,543,112	16,336,476
	17,391,482	17,676,541
DEDUCT		
Appropriations for City of Winnipeg		
To Commutation of Levies	9,000,000	2,000,000
Foreign exchange expense	5,253,000	12,647,988
Sinking fund reserves — By-law 1586/77	2,180,183	2,180,183
	16,433,183	16,828,171
BALANCE, AT END OF THE YEAR	$ 958,299	$ 848,370

Statement of Reserve for Retirement of Debenture Debt

For The Year Ended December 31, 1986

	1986			
	Accumulated Reserve	Foreign Exchange Requirement	Total	1985 Total
BALANCE AT BEGINNING OF THE YEAR	$175,700,938	$34,438,881	$210,139,819	$185,812,302
ADD				
Instalments — City of Winnipeg	19,616,014	439,097	20,055,111	27,364,859
Interest credited	8,144,031	1,635,939	9,779,970	8,782,487
Transfer from reserve for commutation of levies	—	—	—	170,259
	203,460,983	36,513,917	239,974,900	222,129,907
DEDUCT				
Applied to debt redemption	20,868,949	4,925,437	25,794,386	11,990,088
BALANCE AT END OF THE YEAR	$182,592,034	$31,588,480	$214,180,514	$210,139,819

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

The Sinking Fund Trustees of the City of Winnipeg Notes to the Financial Statements

December 31, 1986

1. VALUATION OF INVESTMENTS

Investments are carried at the lower of cost or par value. Any premiums paid on the purchase of investments are written off to the income account in the year of purchase.

When investments are sold or mature, the difference between carrying value and proceeds is written off to the income account at that time.

Bond residues and coupons are carried at cost plus accrued income. Income is accrued on the book value of the investments at a rate equivalent to the effective yield of each investment.

2. FOREIGN INVESTMENTS

Sinking fund assets include investments issued in United States currency having an aggregate carrying value of $11,445,353 expressed in Canadian funds.

	Par (U.S. $)	Carrying Value
Provincial and Provincial guaranteed	$ 2,150,000	$2,325,914
City of Winnipeg	9,598,000	9,119,439
	$11,748,000	$11,445,353

3. ACCOUNTS RECEIVABLE

	1986	1985
City of Winnipeg — foreign exchange requirement	$ 511,143	$9,264,706
Employee Benefits Board — share of administration expenses	255,056	216,255
Sundry	1,800	1,800
	$ 767,999	$9,482,761

4. FOREIGN EXCHANGE REQUIREMENT

The foreign exchange requirement of $31,588,480 (1985 - $34,438,881) which is included in the reserve for retirement of funded debt represents the additional amount required to increase the reserve balances for funded debt issued in foreign currencies to amounts based on the related foreign exchange rates at December 31, 1986.

5. SERIAL DEBENTURE (BY-LAW 2179/79)

The reserve for retirement of funded debt includes sinking fund instalments totalling $5,693,824 plus accumulated interest which is provided for the retirement of a serial debenture of $25,000,000 issued under By-Law 2179/79. This debenture does not require sinking fund payments to be made for retirement. Amounts applied to debt redemption on the statement of reserve for retirements of funded debt include $1,666,667 representing redemption of serial debentures issued under By-Law 2179/79.

6. INTEREST REQUIREMENT ON FULLY ACCUMULATED DEBT

By-Law 1308

Debentures of $3,000,000 issued by the City of Winnipeg maturing in 1988 had sinking fund requirements which provided for full funding of reserves as of May 1, 1983, the call date. The City of Winnipeg did not exercise its option to call the issue.

The Sinking Fund holds investments equivalent to the amount reserved and the interest earned by the Fund after May 1, 1983 on these investments is paid to the City of Winnipeg.

Winnipeg Enterprises Corporation
Sinking Fund - Balance Sheet

As At December 31, 1986

Assets

	1986	1985
INVESTMENT — at cost		
8½% debenture of The Winnipeg Enterprises Corporation due June 15, 1992 (Par value $1,250,000)	$1,250,000	$1,105,000
OTHER ASSETS		
Accrued interest	4,658	4,117
Cash	635	1,027
Call loans — City of Winnipeg	55,500	50,000
TOTAL	$1,310,793	$1,160,144

Liabilities

	1986	1985
RESERVE FOR RETIREMENT OF FUNDED DEBT		
Reserve account as required by By-law	$ 927,433	$ 840,618
Surplus account	383,060	319,226
Accounts payable	300	300
TOTAL	$1,310,793	$1,160,144

Statement of Surplus Account

For the Year Ended December 31, 1986

	1986	1985
BALANCE AT BEGINNING OF THE YEAR	$ 319,226	$ 264,034
ADD		
Net income for the year	63,833	55,192
BALANCE AT END OF THE YEAR	$ 383,059	$ 319,226

Statement of Reserve Account

For the Year Ended December 31, 1986

	1986	1985
BALANCE AT BEGINNING OF THE YEAR	$ 840,618	$ 757,541
ADD		
Instalments received	47,814	47,814
Interest credited	39,001	35,263
BALANCE AT END OF THE YEAR	$ 927,433	$ 840,618

Statement of Income

For The Year Ended December 31, 1986

	1986	1985
INTEREST INCOME	$ 103,179	$ 90,812
INTEREST REQUIREMENTS — debenture debt reserve	39,001	35,263
	64,178	55,549
ADMINISTRATION FEES	345	357
NET INCOME FOR THE YEAR TO SURPLUS ACCOUNT	$ 63,833	$ 55,192

Auditors' Report

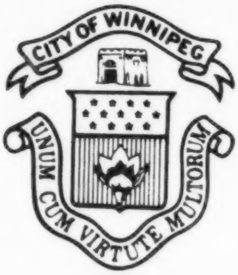
To the Sinking Fund Trustees of
The City of Winnipeg:

We have examined the balance sheet of The City of Winnipeg—Winnipeg Enterprises Corporation Sinking Fund as at December 31, 1986 and the statements of income, surplus account and reserve account for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Fund as at December 31, 1986 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Winnipeg, Manitoba
April 6, 1987

Deloitte, Haskins & Sells,
Chartered Accountants.



symbology

The motto of the crest "UNUM CUM VIRTUTE MULTORUM" is the Latin translation for "One with the strength of many". Two thoughts lie behind this motto. Firstly, Winnipeg is perhaps uniquely one city formed of people of all races; and secondly, it is one city formed from many cities.

The significance of the emblazonry upon the crest may be described as follows:

The Fort Garry Gate at the top represents Winnipeg's early history as a Hudson Bay fur trading centre.

Beneath the gate, thirteen gold stars on a blue field symbolize the thirteen former municipal governments which have been unified to create the new city. The blue background depicts Winnipeg's clear blue skies.

Below the sky, a prairie crocus upon a plain green field represents Winnipeg's location as a prairie city.